FLUOR CORP
Form DEF 14A
March 09, 2017

Use these links to rapidly review the document
TABLE OF CONTENTS

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

FLUOR CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Fluor Corporation
6700 Las Colinas Boulevard
Irving, Texas 75039

March 9, 2017

Dear Stockholder:

You are cordially invited to attend the Fluor Corporation 2017 annual meeting of stockholders. The meeting will be held on Thursday, May 4, 2017, beginning at 8:30 a.m. Central Daylight Time, at the Fluor Corporation Headquarters at 6700 Las Colinas Boulevard, Irving, Texas 75039. Information about the meeting is presented on the following pages. In addition to the formal items of business to be brought before the meeting, members of management will report on the company's operations and respond to stockholder questions. A map showing the meeting location is included for your convenience on the back page of this booklet.

We hope that you will be able to attend the meeting. However, whether or not you plan to attend the meeting, we encourage you to review our proxy materials and promptly cast your vote over the Internet or by phone. Alternatively, if you request or receive a paper copy of the proxy materials by mail, you may vote by signing, dating and mailing the proxy card or voting instruction card in the envelope provided. Voting in one of these ways will ensure that your shares are represented at the meeting.

Thank you for your continued support of Fluor Corporation. I look forward to seeing you on May 4th.

Sincerely,

David T. Seaton
Chairman and Chief Executive Officer

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 4, 2017

The annual meeting of stockholders of Fluor Corporation will be held at the Fluor Corporation Headquarters at 6700 Las Colinas Boulevard, Irving, Texas 75039, on Thursday, May 4, 2017, at 8:30 a.m. Central Daylight Time. At the meeting, our stockholders will consider and vote on the following matters:

1. The election of the thirteen directors named in the proxy statement to serve until the 2018 annual meeting of stockholders and until their respective successors are elected and qualified.

2. An advisory vote to approve the company's executive compensation.

3. An advisory vote on the frequency of stockholder advisory votes to approve the company's executive compensation.

4. The approval of the Fluor Corporation 2017 Performance Incentive Plan.

5. The ratification of the appointment by our Audit Committee of Ernst & Young LLP as independent registered public accounting firm for the fiscal year ending December 31, 2017.

6. If properly presented at the annual meeting, a stockholder proposal requesting adoption of greenhouse gas emissions reduction goals.

Stockholders will also act on such other matters as may be properly presented at the meeting or any adjournment or postponement thereof.

All stockholders of record at the close of business on March 7, 2017 are entitled to receive notice of, and to vote at, the annual meeting. Stockholders are cordially invited to attend the meeting in person; however, regardless of whether you plan to attend the meeting in person, please cast your vote as instructed in the Notice of Internet Availability of Proxy Materials (the "Notice"), by either voting your shares over the Internet or by phone, as promptly as possible. Alternatively, if you wish to receive paper copies of your proxy materials, including the proxy card or voting instruction card, please follow the instructions in the Notice. Once you receive paper copies of your proxy materials, please complete, sign, date and promptly return the proxy card or voting instruction card in the postage-prepaid return envelope provided, or follow the instructions set forth on the proxy card or voting instruction card to authorize the voting of your shares over the Internet or by phone. Your prompt response is necessary to ensure that your shares are represented at the meeting.

By Order of the Board of Directors,

Carlos M. Hernandez
Executive Vice President, Chief Legal Officer
and Secretary

March 9, 2017
Irving, Texas

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on May 4, 2017: This proxy statement and the company's 2016 Annual Report to Stockholders are available at ***www.proxyvote.com*****.**

Table of Contents

TABLE OF CONTENTS

	Page
Notice of Annual Meeting of Stockholders	
Proposal 1 Election of Directors	1
Biographical Information, including Experience, Qualifications, Attributes and Skills	2
Corporate Governance	9
Corporate Governance Highlights	9
Stockholder Engagement	9
Board Independence	10
Risk Management Oversight	11
Board Leadership	11
Lead Independent Director	12
Board of Directors Meetings and Committees	12
Consideration of Director Nominees	16
Certain Relationships and Related Transactions	17
Review and Approval of Transactions with Related Persons	17
Communications with the Board	18
Compensation Committee Interlocks and Insider Participation	18
Proposal 2 Advisory Vote to Approve Executive Compensation	19
Executive Compensation Compensation Discussion and Analysis	21
Organization and Compensation Committee Report	40
Summary Compensation Table	41
All Other Compensation	43
Grants of Plan-Based Awards in 2016	44
Outstanding Equity Awards at 2016 Fiscal Year End	46
Option Exercises and Stock Vested in 2016	48
Pension Benefits	49
Nonqualified Deferred Compensation	50
Potential Payments Upon Termination or Change in Control	52
Director Compensation	57
Proposal 3 Advisory Vote on the Frequency of Future Advisory Votes to Approve Executive Compensation	61
Proposal 4 Approval of the Fluor Corporation 2017 Performance Incentive Plan	62
Equity Compensation Plan Information	77
Proposal 5 Ratification of Appointment of Independent Registered Public Accounting Firm	78
Report of the Audit Committee	80
Proposal 6 Stockholder Proposal	82
Stock Ownership and Stock-Based Holdings of Executive Officers and Directors	85
Stock Ownership of Certain Beneficial Owners	87
Section 16(a) Beneficial Ownership Reporting Compliance	88
Other Business	88
Additional Information	88
Questions and Answers About the Annual Meeting and Voting	91
Directions to the Fluor Corporation 2017 Annual Meeting of Stockholders	

Table of Contents

PROXY STATEMENT

March 9, 2017

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Fluor Corporation (the "company" or "Fluor") of your proxy for use at the annual meeting of stockholders to be held at the Fluor Corporation Headquarters at 6700 Las Colinas Boulevard, Irving, Texas 75039, on Thursday, May 4, 2017, at 8:30 a.m. Central Daylight Time, or at any adjournment or postponement thereof (the "Annual Meeting"). This proxy statement is first being mailed or made available to stockholders on or about March 9, 2017.

The current mailing address of the principal executive offices of Fluor Corporation is 6700 Las Colinas Boulevard, Irving, Texas 75039. Please direct any communications to this mailing address.

PROPOSAL 1   ELECTION OF DIRECTORS

Each of Peter K. Barker, Alan M. Bennett, Rosemary T. Berkery, Peter J. Fluor, James T. Hackett, Samuel J. Locklear, Deborah D. McWhinney, Armando J. Olivera, Joseph W. Prueher, Matthew K. Rose, David T. Seaton, Nader H. Sultan and Lynn C. Swann has been nominated for election at the Annual Meeting to serve a one-year term expiring at the annual meeting in 2018 and until his or her respective successor is elected and qualified.

Each of the nominees listed above has agreed to serve as a director of the company if elected. The company knows of no reason why the nominees would not be available for election or, if elected, would not be able to serve. If any of the nominees decline or are unable to serve as a nominee at the time of the Annual Meeting, the persons named as proxies may vote either (1) for a substitute nominee designated by the Board to fill the vacancy or (2) just for the remaining nominees, leaving a vacancy. Alternatively, the Board may reduce the size of the Board.

Under the standard applicable to the company's director elections, a director must receive the affirmative vote of a majority of the votes cast; except that directors shall be elected by a plurality of the votes cast if as of the record date for such meeting, the number of director nominees exceeds the number of directors to be elected (a situation we do not anticipate). A majority of the votes cast means that the number of shares voted "for" a director nominee must exceed the number of shares voted "against" that director nominee. If an incumbent director is not re-elected, the Governance Committee will consider his or her contingent resignation given prior to the meeting and make a recommendation to the Board on whether to accept or reject the resignation. The Board will then publicly announce its decision regarding whether to accept the resignation and, if not, the reasons why.

Table of Contents

Biographical Information, including Experience, Qualifications, Attributes and Skills

The following biographical information is furnished with respect to each of the nominees for election at the Annual Meeting. The information presented includes information each director has given us about his or her age, all positions he or she holds with the company, his or her principal occupation and business experience for at least the past five years, and the names of other public companies of which he or she currently serves or has served as a director in the last five years. Mr. Fluor is shown as serving from the date of his original election to the Board prior to the company's reverse spin-off transaction in November 2000.

As discussed further below under "Corporate Governance Consideration of Director Nominees," the Governance Committee is responsible for reviewing with the Board, on an annual basis (and as needed), the appropriate skills and characteristics required of members of the Board in the context of the current make-up of the Board. The company's directors have experience with businesses that operate in industries in which the company operates, such as oil and gas, power and government contracting, and collectively have additional skills that are important to overseeing the company's business, such as knowledge of financial matters, risk oversight and compliance, and familiarity with non-U.S. markets. The following information highlights the specific experience, qualifications, attributes and skills that our individual directors possess which have led the Governance Committee to conclude that each such individual should continue to serve on the company's Board.

PETER K. BARKER

Position and Business Experience:

Former California Chairman of JPMorgan Chase & Co., a global financial services firm, from September 2009 until his retirement in January 2013; former Partner at Goldman Sachs & Co., a global investment banking firm, until his retirement in May 2002; joined Goldman Sachs & Co. in November 1971.

Key Attributes, Experience and Skills:

Mr. Barker's vast experience in international financial and banking matters at JPMorgan Chase and Goldman Sachs makes him a valued member of our Board and Audit Committee. His more than 40 years of experience allow him to share insights with the Board on matters such as capital structure, mergers, acquisitions, financings and strategic planning as well as with regard to general business trends and accounting and financial matters.

Other Board Service:

Director, Avery Dennison Corporation (Pasadena, California)

Director, Franklin Resources, Inc. (San Mateo, California)

Director Since: 2007

Age: 68

Board Committees: Audit (Chair), Executive and Organization and Compensation

Independent: Yes

ALAN M. BENNETT

Position and Business Experience:

Former President and Chief Executive Officer of H&R Block, Inc., a publicly traded entity providing tax, banking and business and consulting services, from July 2010 until his retirement in May 2011; former Interim Chief Executive Officer of H&R Block, Inc. from November 2007 to August 2008; Senior Vice President and Chief Financial Officer of Aetna, Inc., a provider of health care benefits, from September 2001 to February 2007.

Key Attributes, Experience and Skills:

Director Since: 2011

Age: 66

Board Committees: Audit, Executive and Governance (Chair)

Independent: Yes

Mr. Bennett brings to the Board a deep understanding of business operations, finance and sales and marketing, developed through his experience as a former Chief Executive Officer, Chief Financial Officer and Vice President of Sales and Marketing. His leadership roles at H&R Block and Aetna provide the Board with valuable public company insights into business strategy and financial planning. In addition, he brings almost 40 years of experience in accounting and financial matters to our Audit Committee.

Other Board Service:

Director, Halliburton Company (Houston, Texas)

Director, The TJX Companies, Inc. (Framingham, Massachusetts)

ROSEMARY T. BERKERY

Position and Business Experience:

Vice Chair of UBS Wealth Management Americas and Chair of UBS Bank USA, each a wealth management banking business, since March 2010; former Vice Chairman, Executive Vice President and General Counsel of Merrill Lynch & Co., Inc., a global securities and financial services business, from October 2001 to December 2008; joined Merrill Lynch & Co., Inc. in 1983.

Key Attributes, Experience and Skills:

Director Since: 2010

Age: 63

Independent: Yes

Ms. Berkery's broad range of experience in financial, business and legal matters makes her a valued member of the company's Board. Her experience leading a $50 billion wealth management bank allows her to provide valued counsel on matters such as finance, banking arrangements, global business strategies, marketing and market risks. In addition, her 35 years in the legal field make her an excellent resource to the Board on legal and compliance matters.

Table of Contents

PETER J. FLUOR

Lead Independent Director

Director Since: 1984

Age: 69

Board Committees: Executive, Governance and Organization and Compensation (Chair)

Independent: Yes

Position and Business Experience:

Chairman and Chief Executive Officer of Texas Crude Energy, LLC, an international oil and gas exploration and production company, since 2001; President and Chief Executive Officer of Texas Crude Energy from 1980 to 2001; joined Texas Crude Energy in 1972.

Key Attributes, Experience and Skills:

Mr. Fluor has more than 40 years of experience in the energy industry, currently serving as Chairman and Chief Executive Officer of Texas Crude Energy, LLC. His vast knowledge of the global oil and gas industry and his experience managing international businesses allow him to provide trusted counsel to our Board. In addition, his unique heritage and understanding of our company's legacy, together with his extensive knowledge of our business operations, clients and executives, make him an invaluable asset to our Board.

Other Board Service:

Director, Anadarko Petroleum Corporation (The Woodlands, Texas)

Former director, Cameron International Corporation (Houston, Texas)

JAMES T. HACKETT

Director Since: 2016 (with previous service from March 2001 to April 2015)

Age: 63

Board Committees: Governance and Organization and Compensation

Independent: Yes

Position and Business Experience:

Partner, Riverstone Holdings LLC, an energy and power focused private investment firm, since June 2013; former Executive Chairman of Anadarko Petroleum Corporation, an oil and gas exploration and production company, from May 2012 until his retirement in June 2013; former Chief Executive Officer of Anadarko from December 2003 to May 2012.

Key Attributes, Experience and Skills:

Mr. Hackett has extensive knowledge of the global oil and gas industry based on his experience as a former executive of Anadarko Petroleum Corporation. His several decades of executive experience, as well as his experience serving on other public company boards and as Chairman of the Board of the Federal Reserve Bank of Dallas, enable him to provide respected guidance on business strategy and financial matters, as well as perspective about the oil and gas and power markets.

Other Board Service:

Director, Enterprise Products Partners, LP (Houston, Texas)

Director, National Oilwell Varco (Houston, Texas)

Former director, Anadarko Petroleum Corporation (The Woodlands, Texas)

Former director, Bunge Limited (White Plains, New York)

Former director, Cameron International Corporation (Houston, Texas)

Former director, Riverstone Energy Limited (Guernsey)

SAMUEL J. LOCKLEAR III

Position and Business Experience:

President, SJL Global Insights LLC, a global consulting firm specializing in a wide range of security and defense issues and initiatives, since November 2015; Admiral, U.S. Navy (retired), with 39 years of service, including as Commander for the U.S. Pacific Command, Commander of the U.S. Naval Forces Europe and Africa, and Commander of NATO's Allied Joint Forces Command, until his retirement in 2015.

Key Attributes, Experience and Skills:

Admiral Locklear has 40 years of experience with military, security, foreign policy and global business matters. He brings to the Board an international, informed and seasoned set of perspectives, a background in infrastructure and power, and extensive insights on the Asia-Pacific region. In addition, his government background allows him to provide valuable guidance on contracting with the U.S. government.

Director Since: 2017

Age: 62

Board Committees:
Audit and Governance

Independent: Yes

DEBORAH D. MCWHINNEY

Position and Business Experience:

Former Chief Executive Officer (September 2013 to January 2014) and Chief Operating Officer (February 2011 to September 2013) of Global Enterprise Payments at Citigroup Inc., a global financial services company, until her retirement in January 2014; former President, Personal Banking and Wealth Management at Citigroup Inc. from May 2009 to February 2011; former President of Schwab Institutional, a division of Charles Schwab, Inc., from 2001 to 2007, and chair of the Global Risk Committee of Charles Schwab from 2004-2007.

Key Attributes, Experience and Skills:

Ms. McWhinney's leadership experience, with more than 35 years in the finance industry, makes her a valued member of our Board and Audit Committee. Her skills as a former executive for Citi and other banking institutions provide our Board with special insight on matters relating to business strategy, finance, investments and treasury management. In addition, her prior roles on the risk committees at both Citi and Charles Schwab allow her to counsel our Board on risk-related matters.

Other Board Service:

Director, Fresenius Medical Care AG & Co. (Bad Homburg, Germany)

Director, IHS Markit Ltd. (London, England)

Director, Lloyds Banking Group (London, England)

Director Since: 2014

Age: 61

Board Committees:
Audit and Organization and Compensation

Independent: Yes

Table of Contents

ARMANDO J. OLIVERA

Director Since: 2012

Age: 67

Board Committees: Governance and Organization and Compensation

Independent: Yes

Position and Business Experience:

Former President (from June 2003) and Chief Executive Officer (from July 2008) of Florida Power & Light Company, an electric utility that is a subsidiary of a publicly traded energy company, until his retirement in May 2012; joined Florida Power & Light Company in 1972.

Key Attributes, Experience and Skills:

Mr. Olivera's tenure as the former President and Chief Executive Officer of one of the largest electric utilities in the United States provides him with extensive knowledge of financial and accounting matters, as well as a keen understanding of the power industry and its regulations. His experience in the power industry provides particularly valuable insight into our power business. Additionally, his role as a director of other public companies gives him the experience to provide valuable advice to our Board and its committees from a governance and risk perspective.

Other Board Service:

Director, Consolidated Edison, Inc. (New York, New York)

Director, Lennar Corporation (Miami, Florida)

Former director, AGL Resources, Inc. (Atlanta, Georgia)

Former director, Florida Power & Light Company (Juno Beach, Florida)

JOSEPH W. PRUEHER

Director Since: 2003

Age: 74

Board Committees: Executive, Governance and Organization and

Position and Business Experience:

Former Schlesinger Professor, University of Virginia, from 2009 to August 2011; former Consulting Professor and Senior Advisor, Stanford University, from 2001 to 2008; U.S. Ambassador to the People's Republic of China from 1999 to 2001; Admiral, U.S. Navy (Retired), Commander-in-Chief of U.S. Pacific Command from 1996 to 1999.

Key Attributes, Experience and Skills:

Admiral Prueher has extensive experience with military, security, foreign policy and global business matters. He also has a well-developed engineering background and valuable insights on Asia and contracting with the U.S. government. Due to Admiral's Prueher's ability to provide strategic guidance with respect to our Government business and our business in China, the Board requested, in accordance with our Corporate Governance Guidelines, that Admiral Prueher stand for reelection even though he has surpassed the age of 72.

Other Board Service:

Compensation	
Independent: Yes	Director, Emerson Electric Co. (St. Louis, Missouri)
	Former director, Amerigroup Corporation (Virginia Beach, Virginia)
	Former director, Armada Hoffler Properties, Inc. (Virginia Beach, Virginia)

MATTHEW K. ROSE

Director Since: 2014

Age: 57

Board Committees:
Audit and
Organization and
Compensation

Independent: Yes

Position and Business Experience:

Executive Chairman, Burlington Northern Santa Fe, LLC, a subsidiary of Berkshire Hathaway Inc. (and former public company) and one of the largest freight rail systems in North America ("BNSF"), since January 2014; former Chairman and Chief Executive Officer of BNSF from March 2002 to January 2014; joined BNSF in 1993.

Key Attributes, Experience and Skills:

Mr. Rose's qualifications to serve on the Board include his extensive leadership experience obtained from overseeing a large, complex and highly regulated organization, his considerable knowledge of operations management and business strategy and his deep understanding of public company oversight. In addition, his experience serving on other public company boards, as well as the board of the Federal Reserve Bank of Dallas, make him a valuable member of our Board.

Other Board Service:

Director, AT&T Inc. (Dallas, Texas)

Former director, AMR Corporation (Fort Worth, Texas)

DAVID T. SEATON

Chairman of the Board

Director Since: 2011

Age: 55

Board Committee:
Executive (Chair)

Independent: No

Position and Business Experience:

Chairman (since February 2012) and Chief Executive Officer (since February 2011) of Fluor; Chief Operating Officer from November 2009 to February 2011; Senior Group President, Energy and Chemicals, Power and Government from March 2009 to November 2009; Group President, Energy & Chemicals from March 2007 to March 2009; joined Fluor in 1985.

Key Attributes, Experience and Skills:

Mr. Seaton, the company's Chief Executive Officer, brings to the Board extensive leadership experience with, and knowledge of, the company's business and strategy, particularly in the energy and chemicals markets. He has worked (and lived) in many Fluor locations, including the Middle East, and provides insight to the Board on the company's global operations. Additionally, his more than 30 years of service with the company provide the Board with a historical perspective on the company's growth and operations.

Other Board Service:

Director, The Mosaic Company (Plymouth, Minnesota)

Table of Contents

NADER H. SULTAN

Director Since: 2009

Age: 68

Board Committees: Audit and Governance

Independent: Yes

Position and Business Experience:

Senior Partner of F&N Consulting Company, a firm specializing in high-level strategic advice related to the energy industry, since September 2004; former Chief Executive Officer of Kuwait Petroleum Corporation.

Key Attributes, Experience and Skills:

Mr. Sultan brings great insight and high-level strategic contributions to the Board as a result of his more than 45 years of experience in the international energy business, including as a chief executive officer running a national oil company in the Middle East. He provides a valued perspective with regard to national oil companies and the Middle East in terms of business operations, politics and culture. His understanding of the Middle East region is important since it is an area in which we continue to expand our business presence and from which we derive revenue.

Other Board Service:

Non-executive chairman of Ikarus Petroleum Industries Company (Kuwait)

LYNN C. SWANN

Director Since: 2013

Age: 65

Board Committee: Audit and Governance

Independent: Yes

Position and Business Experience:

Athletic Director at The University of Southern California since July 2016; President, Swann, Inc., a marketing and consulting firm, since 1976; Founder and Managing Director of LS Group, a provider of financial advisory and brokerage services, since 2011; former sports broadcaster for ABC Sports from 1976 to 2006.

Key Attributes, Experience and Skills:

Mr. Swann's broad range of skills includes media and public relations experience, finance knowledge, a diverse business and political background, and management-level decision-making experience. Those skills, along with the experience he has gained as a director of other large public companies, allow him to contribute significantly to the Board and the committees on which he sits.

Other Board Service:

Former trustee, American Homes 4 Rent (Agoura Hills, California)

Former director, Caesars Entertainment Corporation (Las Vegas, Nevada)

Former director, H.J. Heinz Company (Pittsburgh, Pennsylvania)

Board Recommendation

The Board of Directors recommends a vote FOR the election of all thirteen director nominees.

Table of Contents

CORPORATE GOVERNANCE

Corporate Governance Highlights

Fluor has long believed that good corporate governance practices promote the principles of fairness, transparency, accountability and responsibility and will help manage the company for the long-term benefit of its stockholders. During the past year, we continued to review our corporate governance policies and practices, compare them to those suggested by various commentators on corporate governance and the practices of other public companies and engage with our stockholders on corporate governance issues.

The following list highlights some of our more recent corporate governance initiatives and core governance values:

- ***Proxy Access.*** We adopted proxy access bylaws giving stockholders the ability to nominate and include director nominees in the company's proxy materials. Proxy access is available to a stockholder, or group of up to 20 stockholders, that have owned at least 3% of our outstanding shares of common stock for at least three years, and can be used to nominate up to two directors or 20% of the Board (whichever is greater), provided that the requirements of the bylaws are met.

- ***Annual Director Elections.*** All directors stand for election on an annual basis.

- ***Annual Board Evaluations.*** We conduct annual evaluations of the Board, its committees and all Board members.

- ***Stockholder Right to Call a Special Meeting.*** Holders of at least 25% of our outstanding shares of common stock have the right to call a special meeting of stockholders.

- ***Majority Voting Provisions.*** Our corporate governance documents contain majority (as opposed to supermajority) voting provisions.

- ***Director Independence.*** All directors, with the exception of our Chairman and Chief Executive Officer, are independent. We also have a Lead Independent Director who presides over executive sessions of the independent directors of the Board and approves agendas and schedules for Board meetings.

During 2016, our Board reviewed all committee charters and updated the company's Audit Committee and Governance Committee charters. In addition, the Board amended the company's Corporate Governance Guidelines and Code of Business Conduct and Ethics for Members of the Board of Directors. You can access our current committee charters, Corporate Governance Guidelines, Code of Business Conduct and Ethics for Members of the Board of Directors, as well as other information regarding our corporate governance practices, on our website at *www.fluor.com* under "Sustainability" "Governance" "Corporate Governance Documents." Our Code of Business Conduct and Ethics for Fluor employees can be found on our website at *www.fluor.com* under "Sustainability" "Ethics and Compliance" "The Code."

Stockholder Engagement

Fluor has a long tradition of engaging with its stockholders and being responsive to their perspectives. In addition to our regular investor days organized by Investor Relations, we meet with stockholders on corporate governance and other topics of interest to them. Prior to adopting corporate governance initiatives, including those noted above, we consider the policies of our stockholders and solicit their perspectives on potential courses of action.

Table of Contents

In late 2015 and early 2016, Fluor engaged in outreach to investors on a number of topics, including proxy access and disclosure of political contributions. After considering the feedback we received on proxy access, our Board amended our Bylaws in February 2016 to adopt the proxy access provisions summarized above. A copy of our Amended and Restated Bylaws is available on our website, *www.fluor.com*.

Further, in response to stockholder feedback on a proposal requesting disclosure of political contributions, the Board approved an amendment to our political activities policy that, among other things, requires that corporate political contributions be disclosed on a semi-annual basis in reports posted on the company's website. The policy, as well as the first semi-annual report, are available on our website, *www.fluor.com*, in the "Sustainability Governance" section.

Board Independence

In accordance with the New York Stock Exchange listing standards and our Corporate Governance Guidelines, our Board determines annually which directors are independent and, through the Governance Committee, oversees the independence of directors throughout the year. In addition to meeting the minimum standards of independence adopted by the New York Stock Exchange, a director qualifies as "independent" only if the Board affirmatively determines that the director has no material relationship with the company (either directly, or as a partner, stockholder or officer of an organization that has a relationship with the company). A relationship is "material" if, in the judgment of the Board, the relationship would interfere with the director's independent judgment.

Our Board has adopted director independence standards for assessing the independence of our directors. These criteria include restrictions on the nature and extent of any affiliations the directors and their immediate family members may have with us, our independent accountants, organizations with which we do business, other companies where our executive officers serve as compensation committee members and non-profit entities with which we have a relationship. Our independence standards are included in our Corporate Governance Guidelines, which are available on our website at *www.fluor.com* under the "Sustainability" "Governance" section.

The Board, as recommended by the Governance Committee, has determined that each of the company's current directors and director nominees (other than Mr. Seaton) are independent of the company and its management under New York Stock Exchange listing standards and the standards set forth in our Corporate Governance Guidelines. The Board also determined that each of the members of the Audit, Governance and Organization and Compensation Committees has no material relationship with Fluor and is independent within the meaning of the New York Stock Exchange listing standards and Fluor's director independence standards for such committee.

In making its independence determination with regard to Ms. Berkery, the Board considered (i) payments in 2014 (as there were no payments in 2015 or 2016) for less than $10,000 in the aggregate to Mayer Brown LLP, where one of Ms. Berkery's brothers is a partner, for services not provided by Ms. Berkery's brother and (ii) payments to PricewaterhouseCoopers ("PWC"), where another of Ms. Berkery's brothers is a partner. With regard to PWC: (i) the fees paid to PWC in each of the last three years were less than .02% of such firm's revenues; (ii) Ms. Berkery's brother is one of over 10,000 partners and 223,000 employees at PWC; (iii) Ms. Berkery's brother does not personally provide services to the company or oversee others who provide such services; and (iv) the company hired PWC prior to Ms. Berkery joining the Board. In addition, it is important to note that Fluor, as a global corporation, and due to various securities regulations and requirements, utilizes multiple accounting firms for different kinds of services and, in fact, retained each of the four major public accounting firms to provide various services during 2016. The Board does not believe that the company's prior use of Mayer Brown or current use of PWC raises any independence concerns with regard to Ms. Berkery. The Board determined that Mr. Seaton is not independent under the New York

Stock Exchange listing standards and our Corporate Governance Guidelines because of his employment as the Chief Executive Officer of the company.

Finally, the Board reviewed charitable contributions made to non-profit organizations for which Board members (or their respective spouses) serve as an employee or on the board of directors. Specifically, the Board considered that certain directors and/or their family members (Mr. Barker, Mr. Bennett, Ms. Berkery, Mr. Hackett, Admiral Locklear, Ms. McWhinney, Mr. Olivera and Mr. Rose) are affiliated with non-profit organizations that received contributions from the company in 2016, 2015 and/or 2014. No organization received contributions in a single year in excess of $100,000; and therefore these contributions fell below the thresholds of the company's independence standards.

Risk Management Oversight

As part of its oversight function, the Board monitors how management operates the company. When granting authority to management, approving strategies and receiving management reports, the Board considers, among other things, the risks and vulnerabilities the company faces. In addition, the Board discusses risks related to the company's business strategy at the Board's annual strategic planning meeting. The Board also delegates responsibility for the oversight of certain risks to the Board's committees.

Under the Audit Committee charter, the Audit Committee is responsible for reviewing and discussing with management the company's most significant risks, methods of risk assessment, risk mitigation strategies, and the overall effectiveness of the company's guidelines, policies and systems with respect to risk assessment and management. In particular, the Audit Committee considers risk issues associated with our overall financial reporting, disclosure process, legal matters, regulatory compliance and information technology, as well as accounting risk exposure and other operational and strategic risks. The Audit Committee is provided quarterly information on the geographic, operational and market risks facing our company. In carrying out its responsibilities related to risk oversight, the Audit Committee meets in executive sessions, at least quarterly, with the Chief Executive Officer, the Chief Financial Officer, the Chief Legal Officer, the Chief Compliance Officer, the head of internal audit and the independent registered public accounting firm to discuss particular risks facing the company.

The Organization and Compensation Committee is also tasked with certain elements of risk oversight. The Organization and Compensation Committee annually reviews the company's compensation policies and programs, as well as the mix and design of short-term and long-term compensation, to confirm that our compensation programs do not encourage unnecessary and excessive risk taking.

Finally, the Governance Committee is responsible for overseeing governance issues that may create governance risks, such as board composition, director selection and the other governance policies and practices that are critical to the success of the company. Each of the Audit, Governance and Organization and Compensation Committees report quarterly to the Board regarding the areas they oversee.

Board Leadership

The Chairman of the company's Board is elected by the Board on an annual basis. The Board, together with the Governance Committee, annually reviews the structure of the Board, and, as set forth in the company's Amended and Restated Bylaws and Corporate Governance Guidelines, the Board is empowered to choose any one of its members as Chairman of the Board. The Board has chosen Mr. Seaton, the company's Chief Executive Officer, to serve as the Chairman of the Board. The Board has determined that Mr. Seaton, the individual with primary responsibility for managing the company's day-to-day operations, is best positioned to chair regular Board meetings and to lead and facilitate discussions of key business and strategic issues. In his role as Chairman, Mr. Seaton presides over Board meetings, provides input on the agenda for each Board meeting and performs such other duties as the Board may request from time to time. However, the Board has also established a Lead Independent Director position, as it believes that the role of Lead Independent Director promotes effective governance when the company has a non-independent Chairman. As discussed below, the Lead Independent Director is elected every three years, and his or her duties are closely aligned with the role of an independent chairman. The Board believes that its current leadership structure provides independent Board leadership and engagement while also offering the benefits described above of having our Chief Executive Officer serve as Chairman.

In addition, each of the Audit, Governance and Organization and Compensation Committees is composed entirely of independent directors. Consequently, independent directors directly oversee critical matters such as the compensation policy for executive officers, succession planning, our methods of risk assessment and risk mitigation strategies, our Corporate Governance Guidelines, policies and practices, the director nominations process, our corporate finance strategies and initiatives, and the integrity of our financial statements and internal controls over financial reporting.

Lead Independent Director

To provide for independent leadership, the Board has appointed a Lead Independent Director, whose primary responsibility is to preside over and set the agenda for all executive sessions of the independent directors of the Board. The Lead Independent Director also approves agendas and schedules for meetings of the Board and information sent to the Board, chairs Board meetings in the Chairman's absence, acts as a liaison between the independent directors and the Chairman, provides guidance on the director orientation process for new Board members, consults and communicates with stockholders, as appropriate, and monitors communications to the Board from stockholders and other interested parties. The Lead Independent Director also has the authority to call executive sessions of the independent directors, as needed. In 2015, the independent members of the Board designated Mr. Peter J. Fluor to serve in this position for a three-year term that expires in February 2018.

Board of Directors Meetings and Committees

During 2016, the Board held five meetings, one of which was an extensive two-day strategic planning session. Each of the directors attended more than 75% of the aggregate number of meetings of the Board and of the Board committees on which he or she served and which were held during the period that each director served.

As discussed earlier, the Lead Independent Director presides over all executive sessions of the independent directors. Executive sessions of independent directors must take place at each regular Board meeting according to our Corporate Governance Guidelines. During 2016, five executive sessions of the independent directors were held.

A Board meeting immediately follows the annual meeting. The Board has a policy that directors attend the annual meeting of stockholders each year. All directors serving on the Board at that time attended the 2016 annual meeting of stockholders.

Our Board has four standing committees:

- Audit;
- Executive;
- Governance; and
- Organization and Compensation.

Each committee has a charter that has been approved by the Board. With the exception of the Executive Committee, each committee must review the appropriateness of its charter and perform a self-evaluation at least annually. Any recommended changes to the charters are then submitted to the Board for approval.

Table of Contents

Audit Committee

Members:

Peter K. Barker, *Chair**

Alan M. Bennett*

Samuel J. Locklear

Deborah D. McWhinney

Matthew K. Rose*

Nader H. Sultan

Lynn C. Swann

Each of the directors who serves on the Audit Committee is independent within the meaning set forth in the Securities and Exchange Commission regulations, New York Stock Exchange listing standards and our Corporate Governance Guidelines.

None of the Audit Committee members, except Ms. McWhinney, serve on the audit committees of more than two other public companies. The Board has determined that Ms. McWhinney's service on the other committees does not impair her ability to serve on the Fluor Audit Committee. Ms. McWhinney has finance and risk experience that are highly relevant to the work of the Audit Committee. She is currently retired, does not serve as the chair of any of the committees and has demonstrated that she has sufficient time to devote to the Fluor Audit Committee and the Board.

*Audit Committee Financial Expert, as determined by the Board.

Meetings During Fiscal 2016: Five, including one to review the company's 2015 Annual Report, Form 10-K and proxy materials for the 2016 annual meeting. At the end of each of the four regular meetings of the committee, the members of the Audit Committee met privately with the company's independent registered public accounting firm, and also met with the company's head of internal audit and other members of management.

Key Responsibilities: The responsibilities of the Audit Committee and its activities during 2016 are described in the "Report of the Audit Committee" section of this proxy statement on pages 80-81.

Executive Committee

Members:

David T. Seaton, *Chair*

Peter K. Barker

Alan M. Bennett

Peter J. Fluor

Joseph W. Prueher

Meetings During Fiscal 2016: One meeting to discuss director evaluations

Key Responsibilities: When the Board is not in session, the Executive Committee has all of the power and authority of the Board, subject to applicable laws, rules, regulations and listing standards of the New York Stock Exchange.

Table of Contents

Governance Committee

Members:

Each of the members of the Governance Committee is independent within the meaning set forth in the NYSE listing standards and our Corporate Governance Guidelines.

Alan M. Bennett, *Chair*

Peter J. Fluor

James T. Hackett

Samuel J. Locklear

Armando J. Olivera

Joseph W. Prueher

Nader H. Sultan

Lynn C. Swann

Meetings During Fiscal 2016: Four

Key Responsibilities: The Governance Committee's primary responsibilities, which are discussed in detail within its charter, are to:

identify qualified candidates to be nominated for election to the Board and directors qualified to serve on the Board's committees;

develop, review and evaluate background information for any candidates for the Board, including those recommended by stockholders, and make recommendations to the Board regarding such candidates. For information relating to nominations of directors by our stockholders, see " Consideration of Director Nominees" below;

oversee the independence of directors;

develop, implement, monitor and oversee policies and practices relating to corporate governance, including the company's Corporate Governance Guidelines and Code of Business Conduct and Ethics for Members of the Board of Directors; and

oversee the annual evaluation of the Board, its committees and individual directors.

The Governance Committee has the authority, under its charter, to engage, retain and terminate the services of outside legal counsel, search firms and other advisors.

Table of Contents

Organization and Compensation Committee

Members:

Each of the members of the Organization and Compensation Committee is independent within the meaning of the NYSE listing standards and our Corporate Governance Guidelines.

Peter J. Fluor, *Chair*

Peter K. Barker

James T. Hackett

Deborah D. McWhinney

Armando J. Olivera

Joseph W. Prueher

Matthew K. Rose

Meetings During Fiscal 2016: Six. Each of the four regular meetings included an executive session attended by the committee members and the committee's independent compensation advisor.

Key Responsibilities: The Organization and Compensation Committee's primary responsibilities, which are discussed in detail within its charter, are to:

- review and monitor the company's top level organizational structure and senior management succession planning and recommend the appointment of executive officers and other corporate officers;

- review and approve corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluate (in consultation with the other independent directors) the achievement of these goals and recommend the Chief Executive Officer's compensation level to the independent directors;

- set the overall compensation policy for the executive officers (other than the Chief Executive Officer), including base salary, and annual and long term incentive awards, and approve compensation paid to such officers, considering the recommendations of the Chief Executive Officer; and review the compensation for non-management directors.

The responsibilities of our Organization and Compensation Committee and its activities during 2016 are further described in the "Compensation Discussion and Analysis" section of this proxy statement. The Organization and Compensation Committee has the authority under its charter to delegate any portion of its responsibilities to a subcommittee denominated by it when appropriate, but did not do so in 2016.

Compensation Consultant: The Organization and Compensation Committee has the authority under its charter to engage, retain and terminate the services of outside legal counsel, compensation consultants and other advisors. In 2016, the Organization and Compensation Committee again engaged Frederic W. Cook & Co., Inc. to serve as its independent compensation consultant to advise the committee on all matters related to executive and director compensation. The compensation consultant conducts an annual review of the total compensation program for the Chief Executive Officer and other senior management reporting to him and, in doing so, completes a report benchmarking the senior executives against other executives with similar responsibilities in order to assist the Organization and Compensation Committee in making compensation decisions. The 2016 compensation review provided the committee with relevant market data and alternatives to consider when making compensation decisions in 2016 for the Chief Executive Officer and other senior management reporting to him.

Organization and Compensation Committee, *Continued*

In early 2017, as part of the committee's oversight of certain aspects of risk, the compensation consultant conducted a broad-based review of the company's compensation programs and policies and discussed its findings with the committee, indicating that the company's compensation programs do not encourage behaviors that would create material risk for the company. Frederic W. Cook & Co., Inc. also provided written and verbal advice to the Organization and Compensation Committee at committee meetings, attended executive sessions of the committee to respond to questions, and had individual calls and meetings with the Chair of the committee to provide advice and perspective on executive compensation issues. Frederic W. Cook & Co., Inc. was engaged by, and reports directly to, the committee and does not perform any other services for the company. None of the work of the compensation consultant has raised any conflicts of interest.

Consideration of Director Nominees

Director Qualifications and Diversity

The Board of Directors believes that the Board, as a whole, should include individuals with a diverse range of backgrounds and experience to give the Board both depth and breadth in the mix of skills represented for the benefit of our stockholders. As provided in our Corporate Governance Guidelines, while all directors should possess business acumen and must exercise sound judgment in their oversight of our operations, the Board endeavors to include in its overall composition an array of targeted skills that complement one another rather than requiring each director to possess the same skills, perspective and interests. Accordingly, the Board and Governance Committee consider the qualifications of directors and director nominees both individually and in the broader context of the Board's overall composition and the company's current and future needs.

Our Corporate Governance Guidelines contain Board membership criteria that apply to current directors as well as nominees for director. The Governance Committee is responsible for reviewing with the Board on an annual basis (and as needed) the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This annual review takes into consideration issues of diversity of thought and background (including gender, race, ethnicity and age), experience, qualifications, attributes and skills. Certain criteria that our Board looks for in a candidate include, among other things, an individual's business experience and skills, judgment, independence, integrity, reputation and international background, the individual's understanding of such areas as finance, marketing, information technology, regulation and public policy, whether the individual has the ability to commit sufficient time and attention to the activities of the Board, the fit of the individual's skills and personality with those of other directors in building a Board that is effective, collegial and responsive to the needs of the company, and the absence of any potential conflicts with the company's interests. The Board assesses its effectiveness in achieving these goals in the course of assessing director candidates, which is an ongoing process.

Identifying and Evaluating Nominees for Director

The Governance Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Governance Committee regularly assesses the appropriate size of the Board, and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated or otherwise arise, the Governance Committee considers various potential candidates for director. Candidates may come to the attention of the Governance Committee through various means, including current Board members, professional search firms, stockholders or other persons. Candidates are evaluated at meetings of the Governance Committee, and may be considered

Table of Contents

at any point during the year. The Governance Committee reviews a variety of information about candidates, including materials provided by professional search firms, if applicable, or other parties suggesting the candidate. In evaluating candidates, the Governance Committee seeks to achieve a balance of knowledge, experience and capability on the Board. Each of Mr. Hackett and Admiral Locklear was recommended for nomination as a board member by one of the Board's independent directors.

Stockholder Recommendations

The policy of the Governance Committee is to consider properly submitted stockholder recommendations for candidates for membership on the Board as described above under " Identifying and Evaluating Nominees for Director." If a stockholder properly recommends an individual to the Governance Committee to serve as a director, all recommendations are aggregated and considered by the Governance Committee at a meeting prior to the issuance of the proxy statement for our annual meeting. Any materials provided by a stockholder in connection with the recommendation of a director candidate are forwarded to the Governance Committee. In evaluating these recommendations, the Governance Committee assesses candidates in light of the membership criteria set forth under " Director Qualifications and Diversity" above and the Board's existing composition. Any stockholder wishing to recommend a candidate for consideration by the Governance Committee should submit a recommendation in writing indicating the candidate's qualifications and other relevant biographical information and provide confirmation of the candidate's consent to serve as director. This information should be addressed to Carlos M. Hernandez, Chief Legal Officer and Secretary, Fluor Corporation, 6700 Las Colinas Boulevard, Irving, Texas 75039. Stockholders also have the ability to nominate directors for election in accordance with our Amended and Restated Bylaws. See "Additional Information Advance Notice Procedures" and " Proxy Access Procedures" on page 89 of this proxy statement, and Sections 2.04 and 2.10 of our Amended and Restated Bylaws, which are included on our website at *www.fluor.com* under "Sustainability" "Governance."

Certain Relationships and Related Transactions

The company is not aware of any transactions with related persons that would be required to be disclosed.

Review and Approval of Transactions with Related Persons

The company has adopted a written policy for the approval of transactions to which the company is a party and the aggregate amount involved in the transaction will or may be expected to exceed $100,000 in any calendar year if any director, director nominee, executive officer, greater-than-5% beneficial owner or their respective immediate family members have or will have a direct or indirect material interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity).

The policy provides that the Governance Committee reviews certain transactions subject to the policy and determines whether or not to approve or ratify those transactions. In doing so, the committee takes into account, among other factors it deems appropriate, whether the transaction is on terms that are no less favorable to the company than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction. In addition, the Board has delegated authority to the Chair of the Governance Committee to pre-approve or ratify transactions where the aggregate amount involved is expected to be less than $1 million. A summary of any new transactions pre-approved by the Chair is provided to the full Governance Committee for its review in connection with each regularly scheduled Governance Committee meeting.

Table of Contents

The Governance Committee has considered and adopted standing pre-approvals under the policy for limited transactions with related persons. Pre-approved transactions include, but are not limited to:

- employment of immediate family members of directors, director nominees, executive officers and greater-than-5% beneficial owners in non-executive positions with the company;

- business transactions with other companies at which a related person's only relationship is as an employee (other than an executive officer) if the amount of business falls below the thresholds in the New York Stock Exchange's listing standards and the company's director independence standards; and

- contributions to non-profit organizations at which a related person's only relationship is as an employee (other than an executive officer) or director if the aggregate amount involved does not exceed the lesser of $1 million or 2% of the organization's consolidated gross annual revenues.

At least annually, a summary of new transactions covered by the standing pre-approvals described above is provided to the Governance Committee for its review.

Communications with the Board

Individuals may communicate with the Board and individual directors by writing directly to the Board of Directors c/o Carlos M. Hernandez, Chief Legal Officer and Secretary, Fluor Corporation, 6700 Las Colinas Boulevard, Irving, Texas 75039. Stockholders and other parties interested in communicating directly with the Lead Independent Director or with the independent directors as a group may do so by writing directly to the Lead Independent Director c/o the Chief Legal Officer and Secretary at the above address. The Lead Independent Director will, with the assistance of Fluor's internal legal counsel, be primarily responsible for monitoring any such communications from stockholders and other interested parties to the Board, individual directors, the Lead Independent Director or the independent directors as a group, and provide copies or summaries of such communications to the other directors as he considers appropriate.

Communications will be forwarded to all directors if they relate to substantive matters and include suggestions or comments that the Lead Independent Director considers to be important for the directors to know. The Board will give appropriate attention to written communications on issues that are submitted by stockholders and other interested parties, and will respond if and as appropriate.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2016, Mr. Fluor, Mr. Barker, Mr. Hackett, Ms. McWhinney, Mr. Olivera, Admiral Prueher and Mr. Rose served on the Organization and Compensation Committee. There are no compensation committee interlocks between the company and other entities involving the company's executive officers and directors.

Table of Contents

PROPOSAL 2 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

We are asking stockholders to vote on an advisory resolution to approve the company's executive compensation as reported in this proxy statement. As described below in the "Compensation Discussion and Analysis" section of this proxy statement, the Organization and Compensation Committee has structured our executive compensation program to achieve the following key objectives that contribute to the company's long-term success:

Key Objective	Achievement of the Objective
Align Named Executives with Stockholders	Annual and long-term incentive programs reward named executives for achievement of short- and long-term goals that enhance stockholder value. Between 58% and 73% of named executive target total direct compensation is equity-based. Named executives are expected to hold company shares or units with a value between two and six times their base salary and are prohibited from hedging or pledging company securities.
Pay for Performance	85% to 90% of the annual incentive for named executives is tied to company performance, including corporate measures such as net earnings, cash flow from operations and business segment performance. Long-term incentive payouts under our 2016 Value Driver Incentive Program are tied to earnings per share and return on assets employed, and also are directly related to the stock price.
Attract and Retain Top Talent	Total compensation for named executives is targeted at the 50th percentile of the peer group.

We urge stockholders to read the "Compensation Discussion and Analysis" beginning on page 21, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and related compensation tables and narrative appearing on pages 41 through 56, which provide detailed information on the compensation of our named executives. The Organization and Compensation Committee and the Board of Directors believe that the policies and procedures articulated in the "Compensation Discussion and Analysis" are effective in achieving our goals and that the compensation of our named executives reported in this proxy statement has supported and contributed to the company's success.

In accordance with Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as a matter of good corporate governance, we are asking stockholders to approve the following advisory resolution at the Annual Meeting:

RESOLVED, that the stockholders of Fluor Corporation (the "Company") approve, on an advisory basis, the compensation of the Company's named executives as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables and narrative in the Proxy Statement for the Company's 2017 Annual Meeting of Stockholders.

This advisory resolution, commonly referred to as a "say on pay" resolution, is non-binding on the Board. Although non-binding, the Board and the Organization and Compensation Committee will

Table of Contents

review and consider the voting results when evaluating our executive compensation program. An advisory stockholder vote on the frequency of stockholder votes to approve executive compensation is required to be held at least once every six years. The company last held an advisory vote on frequency in 2011. After consideration of the vote of stockholders at the 2011 annual meeting of stockholders and other factors, the Board decided to hold advisory votes to approve executive compensation annually until the next advisory vote on frequency. The advisory vote on frequency is presented as Proposal 3 below. Unless the Board modifies its policy on the frequency of future advisory votes to approve executive compensation after taking into consideration the stockholders' vote on Proposal 3 below, the next advisory vote to approve executive compensation will be held at the 2018 annual meeting of stockholders.

Board Recommendation

The Board of Directors recommends a vote FOR the approval of the advisory resolution to approve executive compensation.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes the principles, objectives and features of the compensation program, as well as the decisions made under this program in 2016, for our named executive officers (referred to herein as the "named executives"). For 2016, our named executives were our Chairman and Chief Executive Officer, our Chief Financial Officer and the other three individuals included in the Summary Compensation Table on page 41.

Executive Summary

Our executive compensation program is designed to motivate excellent performance and to create alignment with company performance. In 2016, the markets we serve faced many uncertainties and challenges. Specifically, lower commodity prices continued to impact many of our clients' cash flows and, therefore, their ability to fund projects. In addition, we faced execution challenges on one of our projects that negatively impacted our earnings. This disappointing performance is reflected in the payouts for the named executives' annual incentive awards, which averaged 71% of target, and will also negatively impact payments under our Value Driver Incentive ("VDI") plan when those goals are measured at the end of the three-year performance period. These actual and potential payouts and our realizable pay analysis on page 23 demonstrate our pay for performance alignment and commitment. The Organization and Compensation Committee (the "Committee") did not make any changes to base salaries or target bonus opportunities for 2016, leaving them consistent with 2015 levels. However, the Committee did make revisions to the 2016 VDI plan that are intended to keep named executives focused on goals that create stockholder value throughout a challenging business environment while also ensuring goals remain relevant on a year-to-year basis.

Overview of Fiscal 2016 Business Results

Despite the challenges we faced in 2016, we built upon our backlog across a diverse set of clients and end markets, and we furthered our progress on our goal of providing more integrated solutions for our clients. We also remained focused on our cash flow generation and our core value of safety.

New Awards and Backlog. New awards in 2016 were strong, totaling $21.0 billion across our business lines. We ended 2016 with a consolidated backlog of $45.0 billion, which is level with $44.7 billion in backlog at the end of 2015, despite the challenging market and lack of capital spending in the commodities industries.

Integrated Solutions and Capital Efficiency. Our clients continue to seek greater capital efficiency as well as cost and schedule certainty. In 2016, we took deliberate steps to add to our capabilities in areas that enhance our ability to provide capital efficient solutions across the full life cycle of a project specifically, fabrication, self-perform construction, supply chain, and operations and maintenance services. To further this strategy, we completed our acquisition of Stork Holding B.V., allowing us to expand our operations and maintenance offerings, thereby strengthening our ability to provide complete life cycle services to our clients around the world. We also significantly expanded our fabrication capabilities for onshore and offshore projects globally through our joint venture with China Offshore Oil Engineering Co. Ltd., which owns and operates one of the world's largest fabrication yards, located in Zhuhai, China.

Cash Flow From Operations. In 2016, we remained focused on generating positive cash flow from operations and maintaining our strong balance sheet to support sustaining operations and future growth. At the end of 2016, we had $2.1 billion in cash and marketable securities, after returning $118 million in dividends to stockholders.

Safety. We have a deep commitment to providing a safe workplace for our employees and subcontractors. In 2016, we improved our performance against leading indicators of safety, which will position us well as we continue to drive a world-class safety culture in 2017 and beyond.

Earnings and Earnings Per Share ("EPS"). Net earnings attributable to Fluor from continuing operations were $281 million (or $2.00 per diluted share), down from $418 million (or $2.85 per diluted share) in 2015. Earnings results include transaction, integration and other costs associated with the acquisition of Stork Holding B.V., other organizational realignment expenses, and the impact of adverse tax effects arising from new tax regulations issued at the end of 2016. Results for the year also reflect a continued weakness in commodity prices throughout much of 2016, as well as a $170 million after-tax charge relating to forecast revisions for cost increases on a petrochemical project in the Energy, Chemicals & Mining segment.

Performance-Based Compensation

Our overriding objective is to pay for performance. As shown in the charts below, for 2016, 89% of our Chief Executive Officer's target total direct compensation ("TDC"), and approximately 81% (on average) of the other named executives' target TDC, was in the form of annual or long-term incentives, the value of which is variable (depending on either performance and/or the price of the company's stock).

For 2016, our long-term incentives include a mix of restricted stock units ("RSUs") and stock-based performance awards under our VDI program, which were granted to named executives in equal proportions based on the estimated grant date value. The VDI awards are paid in stock and have performance targets calculated over a three-year period tied to average annual EPS and average annual return on operating assets employed ("ROAE").

Our annual incentives are paid in cash and are based primarily on the achievement of pre-established financial and operational performance goals for each year.

CEO Target TDC[1]

Other Named Executives' Target TDC[1]

(1) TDC consists of base pay, target annual incentive, and long-term incentive values at the time of grant.

Table of Contents

Realizable Pay for our Chief Executive Officer

The chart below illustrates our Chief Executive Officer's "realizable" compensation as compared to his target TDC, averaged over the last three fiscal years. We believe that it is important to show realizable compensation because it provides valuable supplemental information to assist our stockholders in understanding our executive compensation program. Realizable compensation shows the value of the compensation our Chief Executive Officer actually earned or could expect to earn as of the end of 2016, while target TDC represents his target compensation opportunity at the time of grant.

While both target TDC and realizable compensation include actual base salaries, realizable compensation reflects both (i) performance against goals that impact annual incentives and VDI awards and (ii) stock price. On average, over the last three years, our annual incentives have paid out close to target, demonstrating that we have performed reasonably well against challenging goals in a difficult economic environment. By comparison, the realizable value of our long-term incentives is significantly below the target opportunity due to a combination of both performance and stock price. For example, none of the options granted to named executives in the last three years have any value. As shown in the graph below, average realizable compensation for our Chief Executive Officer for the three-year period was 24% lower than his target TDC, which we believe demonstrates strong alignment between our compensation program and the interests of our stockholders.

CEO Target TDC and Realizable Pay

3-Year Average (2014 - 2016)

(1) Target TDC consists of (i) actual base salary; (ii) target annual incentive; and (iii) the value of all long-term incentives on the date of grant.

(2) Realizable pay includes: (i) actual base salary; (ii) actual annual incentive paid; (iii) the value of options on the date of exercise (if exercised), or on December 31, 2016 (if unexercised); (iv) the value of other long-term incentive awards on the vesting date (if vested) or on December 31, 2016 (if unvested), as further discussed in the Outstanding Equity Awards at 2016 Fiscal Year End table on pages 46-47.

Compensation Actions for 2016

In making decisions regarding the compensation opportunities for the named executives in 2016, the Committee took into account market conditions and performance, and also considered market data for our compensation peer group (as described on page 36, the "Compensation Peer Group") and

Table of Contents

general industry peers. The Committee took the following specific actions with respect to named executive compensation for 2016:

- Approved 2016 base salaries that were the same as 2015 base salaries;

- Approved 2016 target bonus percentages that were the same as 2015 target bonus percentages, while maintaining the design of the annual incentive program;

- Increased the percentage of long-term incentive awards granted in the form of performance-based VDI awards to one half of the total long-term incentive award and granted the other half in RSUs;

- Made the 2016 RSU grants and VDI awards subject to a three-year post-vest holding requirement; and

- For the 2016 VDI awards, changed the performance measurement for EPS to three one-year periods, rather than a cumulative three-year period, to provide greater precision and rigor in goal setting in a volatile market for currency exchange rates, commodity prices and other economic factors that are outside our control.

Corporate Governance Highlights

Our executive compensation policies reflect our strong focus on sound corporate governance. As in prior years, the following practices and policies were in effect during 2016:

What we do	What we do not do
We maintain robust stock ownership guidelines, including a 6x base salary requirement for the Chief Executive Officer.	We do not provide single trigger change in control agreements.
We maintain a clawback policy for performance-based compensation.	We do not have excise tax gross-ups for change in control agreements.
We design compensation programs that do not encourage imprudent risk-taking; and the Committee conducts an annual compensation risk assessment.	We do not allow repricing of stock options without stockholder approval.
We engage an independent compensation consultant for our fully independent Committee.	We do not allow the payment of dividends or dividend equivalents on unvested performance awards.
We prohibit hedging, pledging and short-term trading of company stock.	We do not have individual employment agreements for our executive officers.

Table of Contents

How Named Executive Compensation is Tied to Performance

We use a balanced approach to compensation with a variety of pay elements to reward the achievement of both short-term and long-term goals, the majority of which are directly linked to performance as described in the table below:

Component	Primary Purpose	Linkage to Performance
Base Salaries	Provide a market competitive, stable level of income to attract and retain top talent	Individual responsibility, performance and contributions to the company, overall salary movements in the Compensation Peer Group and the company's salary budget are considered by the Board or the Committee, as applicable, in determining an appropriate salary adjustment each year
Annual Incentive Awards	Provide annual cash compensation for achievement of performance goals that drive near-term objectives and support long-term company value: Net earnings Cash flow from operations Safety Strategic operating objectives	Annual forecasts of net earnings and other factors are made at the beginning of each fiscal year, and are used to set the target achievement levels for the annual incentive awards The annual incentive awards are completely at risk, depending on the level of performance against the criteria
Long-Term Incentives	*Value Driver Incentive Performance Units* Provide a stock-based long-term retention vehicle that is linked to performance measures that focus named executives on the creation of long-term company value	Forecasts for the performance measures are made at the beginning of each year, and performance units are earned to the extent those expectations are met, on average, over a three-year period VDI awards are earned and vest at the end of a three-year performance period and are required to be held for another three years after vesting, aligning the interests of executives with those of our stockholders by focusing the executives on the company's financial performance over a

multi-year period

The units are completely at risk, depending on our performance against the relevant measures (and our stock price)

Table of Contents

Component	Primary Purpose	Linkage to Performance
	Stock Options Provide a long-term retention vehicle that is directly linked to stockholder value creation over time	Although no stock options were granted in 2016, they typically vest in equal thirds over three years, aligning the interests of executives with those of our stockholders by focusing the executives on long-term stockholder value creation The options are completely at risk, attaining value only if our stock price grows over the initial grant price
	Restricted Stock Units Provide a long-term equity ownership and retention vehicle that is directly linked to stockholder value creation over time	RSUs vest in equal thirds over three years and are required to be held for another three years after vesting, aligning the interests of executives with those of our stockholders by focusing the executives on the company's financial performance over a multi-year period The value of the RSUs is at risk, increasing or decreasing with our stock price over the vesting period

Components of 2016 Named Executive Compensation

Base Salaries

The company provides named executives with base salaries that provide a competitive, stable level of income, since most other elements of their compensation are at-risk based on company performance. In determining base salaries for positions held by named executives, the Committee generally targets the 50th percentile (i.e., the median) for similar types of executives within the Compensation Peer Group. Base salaries may deviate from the median to attract key talent and for named executives with varying levels of experience or specialized duties or skill sets. The Committee reviews base salaries for named executives annually and upon a change in responsibilities.

In evaluating the Chief Executive Officer's base salary and his recommendations for the base salaries of the other named executives, the Committee considered the following factors during its 2016 annual review:

- the Compensation Peer Group data and other general industry survey data for comparable positions;
- individual level of responsibility, performance and contributions to the company;

internal pay equity based on relative duties and responsibilities; and

the company's 2016 salary budget.

Table of Contents

The 2016 base salaries for the named executives did not change from 2015 and were as follows:

Named Executive	2016 Base Salary
David T. Seaton	$1,295,000
Biggs C. Porter	$841,300
Peter Oosterveer	$700,000
Carlos M. Hernandez	$630,000
Bruce A. Stanski	$600,000

For 2016, the base salaries for Mr. Seaton, Mr. Oosterveer, Mr. Hernandez and Mr. Stanski approximated or were slightly lower than the median of the Compensation Peer Group. Mr. Porter's base salary was in the top quartile of chief financial officers within the Compensation Peer Group, reflecting his years of experience in numerous finance positions (including chief financial officer) and the salary we originally offered to recruit him to the company.

Annual Incentive Awards

Cash-based annual incentives are provided to motivate and reward named executives for achieving annual performance objectives. Each named executive participates in the Fluor Corporation Amended and Restated 2008 Executive Performance Incentive Plan (the "Performance Plan") and has a target annual incentive amount, established as a percentage of annual base salary. This percentage reflects each executive's respective organizational level, position and responsibility for achievement of the company's strategic goals, and aligns with market practice.

For 2016, target bonus percentages for Messrs. Seaton, Oosterveer and Stanski approximated the median target bonus percentages for executives with similar job responsibilities within the Compensation Peer Group, while the target bonus percentages for Messrs. Porter and Hernandez were below the median. None of the target bonus percentages for named executives changed from 2015.

The target annual incentives for 2016 for each named executive were as follows:

Named Executive	Percentage of Base Salary	Target Annual Incentive Amount
David T. Seaton	145%	$1,878,000
Biggs C. Porter	85%	$715,200
Peter Oosterveer	100%	$700,000
Carlos M. Hernandez	85%	$535,500
Bruce A. Stanski	85%	$510,000

A named executive may receive from zero to 200% of the target annual incentive amount, depending on whether the company and the named executive meet, fail to meet or exceed certain performance measures relating to overall company performance, the individual's own performance and, for Messrs. Oosterveer and Stanksi, the performance of the business operations they oversee. The types of measures and relative weightings of those measures are determined by the Committee each year and are tailored to the named executive's position and organizational responsibility. The performance measures have remained fairly consistent over the past five years, but, in 2015, the Committee replaced ROAE with cash flow from operations in light of its determination to include ROAE as a performance measure under the VDI program, as discussed further below. The Committee has also adjusted the

Table of Contents

measures' relative weightings from time to time to reflect the Committee's emphasis on particular goals.

When determining the performance measures, the Committee considers the company's annual operating plan and strategic priorities for the upcoming year, as well as the company's performance in the previous year. The performance measures are all objective except for the individual performance measure, which is subjective and not subject to specific targets. The use of multiple financial goals prevents an overemphasis on any one financial metric and together focus the named executives on key areas of importance to the company. The measures, along with their respective weightings, for each named executive were as follows:

2016 Measure	David T. Seaton	Biggs C. Porter	Peter Oosterveer	Carlos M. Hernandez	Bruce A. Stanski
Corporate Net Earnings	60%	55%	35%	55%	35%
Cash Flow from Operations	20%	20%	20%	20%	20%
Safety[(1)]					
Days Away, Restricted and Transfer Incidence Rate	3%	3%	3%	3%	3%
Total Recordable Case Incidence Rate	3%	3%	3%	3%	3%
HSE Audit Score	4%	4%	4%	4%	4%
Energy, Chemicals & Mining, Industrial, Infrastructure & Power, Power Services and AMECO EBIT (Segment Profit)[(2)]			20%		
Government EBIT (Segment Profit)					20%
Individual Performance	10%	15%	15%	15%	15%

(1) For all executives other than Mr. Oosterveer and Mr. Stanski, the achievement of each safety measure is based on corporate performance. For Mr. Oosterveer, the achievement of each safety measure is based on the average performance of the operations for which he was responsible (i.e., Energy, Chemicals & Mining, Industrial, Infrastructure & Power (excluding the operations of NuScale Power, LLC), Power Services and AMECO). For Mr. Stanski, the achievement of each safety measure is based on the performance of the Government group.

(2) The EBIT (segment profit) measure is a combination of Energy, Chemicals & Mining, Industrial, Infrastructure & Power, Power Services and AMECO EBIT (segment profit), excluding the effects of NuScale Power, LLC, which Mr. Oosterveer did not oversee.

Performance Measures for 2016

The performance measures for the 2016 annual incentive awards for the named executives are described below.

Corporate net earnings. Corporate net earnings is defined as the amount of net earnings attributable to Fluor from continuing operations set forth in our financial statements. When establishing corporate net earnings targets for 2016, the Committee determined that the following items would be excluded from net earnings for purposes of determining achievement of the target: the financial impact of any acquisition activity (including integration costs and other expenses), expenses associated with restructuring programs and unusual expenses outside the normal course of business. As a result, the financial impact of Stork Holding B.V., which was acquired in 2016 and not considered when setting the targets, certain expenses associated with company restructuring activities and the impact of year-end changes to U.S. tax regulations have been excluded from the earnings calculation.

Table of Contents

Cash Flow From Operations. Cash flow from operations is defined as total segment profit plus the fiscal year change in the business unit project working capital accounts (accounts receivable, work in progress, advance billings and accounts payable). When setting targets, the Committee determined to exclude the financial impact of any acquisition from this measure as well. Thus, the financial results of Stork Holding B.V. are not included for purposes of determining the achievement of the targets for this measure.

Safety. Safety consists of three distinct measures: (i) Fluor's days away, restricted and transfer ("DART") incidence rate, (ii) Fluor's total recordable case incidence rate and (iii) Fluor's health, safety and environmental ("HSE") audit score. Safety metrics for 2016 exclude the operations of Stork Holding B.V. and COOEC Fluor Heavy Industries Co., Ltd., which were acquired or formed in 2016, and two contracts for which the company assumed responsibility in early 2016, in accordance with the Committee's directions when setting targets. Fluor's DART incidence rate is defined as a work-related injury or illness that involves days away from work beyond the day of injury or onset of the illness or otherwise results in a work restriction or work transfer. Fluor's total recordable case incidence rate is defined as a work-related injury or illness that results in one or more of the following: days away from work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness, a significant injury or illness diagnosed by a physician or other licensed health care professional, or death. Incidence rates for both measures represent the number of recordable cases per 100 full-time workers (working 40 hours per week, 50 weeks per year), and are calculated using the following equation:

Fluor's HSE audit score measures our performance against approximately 60 leading indicators in the critical areas that drive performance and safety on our projects. Each indicator is given a score by the HSE corporate audit team based on project performance, with the overall score being the average of the scores for all indicators across a sampling of projects and joint ventures in all business lines. The company audits only those joint ventures for which the company has sole or joint HSE responsibilities for program development and work control.

Group EBIT (Segment Profit). Group Earnings Before Interest and Tax ("EBIT"), the profit measure used for compensation purposes, is typically the same as segment profit, the profit measure reported externally in our financial statements. Segment profit is calculated as revenue less cost of revenue and earnings attributable to noncontrolling interests excluding: corporate general and administrative expense; interest expense; interest income; domestic and foreign income taxes; other non-operating income and expense items; and loss from discontinued operations. Group segment profit results can be found on page F-47 of our annual report on Form 10-K as filed with the Securities and Exchange Commission on February 17, 2017. In 2016, the group EBIT goals were reclassified to be consistent with segment reporting changes reflected in our financial statements. The group EBIT (segment profit) measure for Mr. Oosterveer excludes the effects of NuScale Power, LLC, since he was not responsible for those operations.

Individual Performance. For all named executives other than the Chief Executive Officer, the individual measure is given a rating based on subjective evaluations and recommendations by the Chief Executive Officer, although ultimately subject to the discretion of the Committee. In the case of the Chief Executive Officer, individual performance is assessed by the independent directors of the Board.

Table of Contents

2016 Annual Incentive Determination

The performance ranges for each of the measures applicable to our named executives, together with the actual achievement of the measures, are presented in the table below. Based on performance, annual incentive award cash payouts averaged 71% of target for named executives, which is significantly lower than the 2015 payout percentage.

		2016 Performance Ranges		
Measure (dollars in millions)	**2016 Actual Achievement**	**Minimum**	**Target**	**Maximum**
		(.25/.50 rating)(1)	(1.0 rating)	(2.0 rating)
Corporate Net Earnings	$380.1(2)	$374.5	$508.3 - $561.8	$615.3
Cash Flow from Operations	$909.8	$684.6	$880.3 - $1,075.9	$1,271.5
Safety				
Days Away, Restricted and Transfer Incidence Rate	.15(3)	.21	.18	.09
Total Recordable Case Incidence Rate	.43(3)	.55	.45	.25
HSE Audit Scores	85.8%(3)	70%	80%	90%
Energy, Chemicals & Mining, Industrial, Infrastructure and Power, Power Services and AMECO Group EBIT (Segment Profit)	$669.6	$691.0	$987.2	$1,135.3
Government EBIT (Segment Profit)	$85.1	$52.5	$75.0	$86.3

(1) The minimum rating for Corporate Net Earnings and Cash Flow from Operations is .25, and the minimum rating for Safety and Group EBIT (Segment Profit) is .50. The minimum rating level for each goal is required to be satisfied before there is any payout for the performance measure.

(2) The amount shown is for net earnings attributable to Fluor from continuing operations, excluding the financial impact of Stork Holding B.V. (including adverse tax effects and integration and restructuring expenses), certain expenses associated with company restructuring activities and the impact of year-end changes to U.S. tax regulations.

(3) The amounts shown in the table are for corporate achievement. For Mr. Oosterveer, the achievement of each safety measure is based on the average performance of the operations for which he was responsible (i.e., Energy, Chemicals & Mining, Industrial, Infrastructure & Power (excluding the operations of NuScale Power, LLC), Power Services and AMECO) and are as follows: (i) Days Away, Restricted and Transfer Incidence Rate .13; (ii) Total Recordable Case Incidence Rate .43; and (iii) HSE Audit Scores 86.1%. For Mr. Stanski, the achievement of each safety measure is based on the performance of the Government group and are as follows: (i) Days Away, Restricted and Transfer Incidence Rate .21; (ii) Total Recordable Case Incidence Rate .41; and (iii) HSE Audit Scores 84.9%.

Achievement of the individual performance measure varied among the named executives because of the differences in responsibilities and individual accomplishments. The Committee determined the achievement of the individual performance measure for the named executives other than the Chief Executive Officer, after taking into account the Chief Executive Officer's recommendations with regard to those named executives, and also recommended to the Board the achievement level for the Chief Executive Officer. Subjective evaluations made by the Chief Executive Officer were based on each named executive's leadership and group accomplishments. The individual performance measure was not a significant factor in determining compensation, and no named executive's aggregate compensation was materially affected by the level of achievement of this measure.

Table of Contents

Once the level of achievement for each measure is determined, each named executive's overall performance rating is calculated by multiplying each measure's rating (which can range from 0.00 to 2.00) by its relative weighting, and then aggregating those amounts. The aggregate amount (the overall performance rating) is then multiplied by the individual's target annual incentive amount to determine the annual incentive payment for each named executive.

The 2016 annual incentive amounts for each named executive were determined as follows:

Named Executive	Target Annual Incentive Amount	×	Overall Performance Rating	=	Annual Incentive Amount
David T. Seaton	$1,878,000	×	0.61	=	$1,150,000
Biggs C. Porter	$715,200	×	0.63	=	$450,600
Peter Oosterveer	$700,000	×	0.59	=	$413,000
Carlos M. Hernandez	$535,500	×	0.71	=	$380,300
Bruce A. Stanski	$510,000	×	1.02	=	$520,200

The 2016 annual incentive rating for each named executive other than Mr. Stanski was lower than his 2015 rating, primarily due to the lower achievement level of the net earnings measure. Mr. Stanski's rating was slightly higher than his rating last year due to strong performance in the Government Group.

2016 Long-Term Incentives

The stockholder-approved Performance Plan allows the Committee to grant various forms of long-term equity incentives. The Committee's objectives in granting long-term equity awards, including the awards granted to our named executives in 2016, are to motivate and reward the achievement of superior operating results and stock price appreciation, facilitate the attraction and retention of key management personnel and align the interests of management and stockholders through equity ownership.

As discussed earlier, our compensation program is designed to align pay with performance. Named executives receive long-term incentive grants that reflect potential pay, based on market considerations as well as individual contributions, experience, advancement potential and internal pay equity. For 2016, long-term awards for our Chief Executive Officer approximated the 50th percentile of the Compensation Peer Group, while the value of such awards for other named executives ranged from the 55th to the 80th percentile. To further align executive and stockholder interests, long-term incentives granted to named executives in 2016 are subject to a three-year post-vest holding period. During the post-vest holding period, named executives may not sell or otherwise transfer the underlying shares of company common stock (except in the case of death).

In 2016, the Committee determined to increase the performance-based component of the long-term incentive program by providing named executives half of their long-term incentive grant in VDI awards. Named executives received the remainder of their grant in RSUs (as elected by named executives and, in the case of the Chief Executive Officer, the Committee). No options were granted to named executives in 2016.

The Committee believes that the mix of long-term incentive components aligns the interests of named executives with those of stockholders by encouraging named executives to focus on long-term growth of the company, while also providing named executives with a balanced pay package similar to many of our peers. In determining the relevant allocations, VDI awards were valued at the target performance level (and converted into performance units based on the closing stock price on the date of grant) and RSUs were valued at the fair market value (closing stock price) on the date of grant, less a liquidity discount related to the three-year post-vest holding period on the shares underlying the awards.

Table of Contents

The Committee determines the dollar value of long-term incentive awards for named executives at the first regularly scheduled meeting of the Committee each year, which is typically held in February. The determinations are made at that time to coincide with the annual performance review (when prior year performance information is available). The equity awards are then granted after the meeting on the third business day following the publication of our annual results, based on the closing stock price on that date.

VDI Awards Granted in 2016

The VDI awards granted to the named executives in 2016 are subject to a three-year performance period, which started on January 1, 2016 and ends on December 31, 2018. The awards will be earned based upon actual performance over the three-year performance period and will vest (and be payable in shares) in March 2019. Upon vesting, the named executive will also receive additional shares equal to the amount of any accrued dividends paid by the company with respect to shares actually earned. The vested shares must be held for an additional three years beyond vesting, as described above.

The Committee established the following performance criteria and relative weightings for the 2016 VDI awards for named executives:

50% of the total award is based on average annual EPS over a three-year period; and

50% of the total award is based on average annual ROAE over a three-year period.

The calculation of the target number of units, as well as the eventual determination of the payout of VDI awards, is illustrated below:

The performance measures for the 2016 VDI awards for the named executives were as follows.

Earnings Per Share (EPS). EPS is calculated in accordance with generally accepted accounting principles, but for 2016 specifically excludes any impact from (i) the acquisition of Stork Holding B.V., (ii) expenses associated with restructuring programs and (iii) the impact of year-end changes to the U.S. tax regulations.

Return on Operating Assets Employed (ROAE). ROAE is calculated by dividing full year corporate net earnings (excluding the items noted above and after-tax interest expense) by net assets employed. Net assets employed is defined as total assets (excluding excess cash and current and non-current marketable securities) minus current liabilities (excluding non-recourse debt) and is calculated based on average net assets reported for the previous five quarters. The Committee believes the two selected measures appropriately focus management on earnings creation while also incentivizing them to strategically manage assets. The Committee may maintain or alter the performance criteria and relative weightings assigned to such goals for VDI awards in future years based on the company's business priorities.

In the first quarter of 2016, the Committee set minimum (paid at 50% of target), target (paid at 100% of target), upper target (paid at 150% of target) and maximum (paid at 200% of target) levels for the portion of the 2016 VDI awards that will be subject to the 2016 EPS and ROAE goals. This first tranche of the 2016 VDI awards represents one-third of the number of shares subject to those VDI awards. The second and third tranches of the 2016 VDI awards will be subject to performance goals for 2017 and 2018, respectively, which will be set in the first quarter of the respective year. With input from its independent compensation consultant, the Committee determined that applying three annual performance goals would best orient executives to focus on long-term achievements, while avoiding disincentives or windfalls due to volatile economic factors such as commodity prices and currency rates that are difficult to forecast and impact our operating margins and growth. When setting these performance goals, the Committee considers the company's past performance, current business outlook and other corporate financial measures. The Committee also considers how likely it will be for the company to achieve the goals. We believe that the target goals have been established at levels that should be appropriately difficult to attain. Goals above target are stretch goals and will require an increasingly challenging level of performance in order to be achieved.

In the first quarter of the year following each of the three annual performance periods, the Committee determines the actual achievement of the performance measures for that year. At the end of the three-year period, the Committee will average the annual performance and determine the number of earned performance units by multiplying the number of performance units by the average of the three annual performance ratings (ranging from 0.00 to 2.00). The number of units earned and related dividends vest in full after such determination, approximately three-years from the date of grant, and are required to be held an additional three years. The three-year performance period and vesting, together with the three-year post-vest holding period, are intended to facilitate retention of the participating executives and to link long-term value of the awards to stock price. A named executive's unvested award is subject to risk of forfeiture if, prior to settlement, the named executive's employment with the company is terminated for any reason other than retirement, death, disability or a qualifying termination within two years after a change in control of the company. The post-vest holding period lapses only upon the named executive's death.

Changes to Long-Term Incentives for 2017

Effective for 2017, the Committee determined to maintain performance-based VDI awards as 50% of the long-term incentive grant to named executives, but to provide the remainder in equal proportions of options and RSUs.

For VDI awards initially granted in 2017 to the named executives, the number of earned shares will continue to be determined based upon the three-year average of annual performance ratings at the end of the performance period. However, the number of earned shares will be based on three measures weighted as follows: 30% ROAE, 30% New Awards Gross Margin Dollars and 40% New Awards Gross Margin Percentage. New Awards Gross Margin Dollars measures the total amount of project gross margin that the company expects to receive as a result of projects awarded within the performance period. New Awards Gross Margin Percentage is the total amount of gross margin the company expects to receive as a result of projects awarded within the performance period as a percentage of expected revenue from these projects. In addition, the number of earned shares for 2017 VDI awards will be modified based on the company's three-year cumulative total shareholder return relative to the engineering and construction peers included in the Compensation Peer Group ("Relative TSR"). If the company's Relative TSR is in the bottom 1/3 of the group, the earned shares will be decreased by 25%. If the company's Relative TSR is in the top 1/3 of the group, the earned shares will be increased by 25%. No adjustment will be made if the company's Relative TSR is in the middle 1/3. In no event will the earned shares exceed two times the target number of shares. These changes for 2017 awards were made by the Committee to support strategic business objectives as well as to strengthen the alignment of pay from the VDI awards with long-term value creation for stockholders. The changes will not affect

Table of Contents

the outstanding 2016 VDI awards, which will continue to use EPS and ROAE for the second and third tranches of the awards.

Other Compensation Decisions

We pay hiring bonuses when necessary or appropriate to attract top executive talent from other companies. We also periodically grant cash or equity retention awards to reflect competitive market situations, address specific project objectives or reinforce succession planning objectives. Executives we recruit must often forfeit unrealized value in the form of unvested equity and other forgone compensation opportunities provided by their former employers. We may provide hiring bonuses to compensate them for this lost opportunity; but we may also include service requirements for retention. No such hiring bonuses or special cash or equity awards were made to named executives in 2016.

Other Elements of Named Executive Compensation

Perquisites

In 2016, named executives were paid a taxable monthly allowance as set forth in the All Other Compensation table on page 43. The Committee believes that these allowances are reasonable costs, and are justified by the perceived value to the named executives. The allowances can be used to cover items such as automobile leasing, tax and financial planning, and company-owned country club membership dues. When determining the allowance amounts, the Committee considered the value of perquisites provided to similarly situated executives in our Compensation Peer Group, which perquisites are typically reimbursed rather than provided in the form of an allowance. The Committee also evaluated perquisites based on personal convenience and security, as well as cost. In addition, named executives are required to have a physical examination each year that is paid for by the company. Named executives may have spousal travel paid for by the company only when it is for an approved business purpose, in which case a related tax gross-up is provided. In 2016, the company did not provide any tax gross-ups other than for spousal business travel. Named executives can make personal use of charter aircraft in conjunction with a business purpose, but the named executive is required to reimburse the company for the incremental operational cost. Our 2016 perquisite costs, which are relatively small in relation to total direct compensation, approximated the median of the Compensation Peer Group.

Executive Deferred Compensation Program

The named executives are eligible to participate in Fluor's Executive Deferred Compensation Program. The company offers this program to provide retirement and tax planning flexibility and to remain competitive with other companies within our Compensation Peer Group and general industry. Please refer to the discussion in the Nonqualified Deferred Compensation table on pages 50-51 for a more detailed discussion of these arrangements.

Severance and Change in Control Benefits

The company provides each of the named executives with cash severance in the event of a termination of employment by the company without cause. The company believes its severance policy assists in attracting and retaining qualified executives. The level of any cash severance payment is based upon base salary and years of service at the time of separation. In addition, each named executive has a change in control agreement that provides additional payments and other benefits if the executive is terminated without cause or if the named executive terminates employment for good reason within two years following a change in control of the company. The change in control agreements are designed to reinforce and encourage the continued attention and dedication of the executives without distraction in the face of potentially disruptive circumstances arising from the possibility of a change in control and to

Table of Contents

serve as an incentive to their continued commitment to, and employment with, the company. None of the potential change in control payments are "single trigger," meaning a named executive must incur a qualifying termination of employment following a change in control in order to be eligible for these payments. In addition, if any excise taxes are triggered in connection with a change in control, our change in control agreements do not provide for a tax gross-up. The company will, instead, automatically reduce any payments under the agreement to the extent necessary to prevent payments from being subject to those excise taxes, but only if by reason of the reduction, the executive's after-tax benefit of the reduced payments exceeds the after-tax benefit if such reduction were not made.

Please refer to the discussion under "Potential Payments Upon Termination or Change in Control" below for a more detailed discussion of these arrangements. Severance and change in control benefits are provided to be competitive with the Compensation Peer Group.

Establishing Executive Compensation

Compensation Philosophy, Objectives and Risk Assessment

The Committee has responsibility for establishing and implementing the company's executive compensation philosophy. The Committee reviews and determines all components of named executives' compensation (other than with respect to our Chief Executive Officer's compensation, which the Committee reviews and recommends for approval by our independent directors), including making individual compensation decisions, and reviewing and revising the company's compensation plans, programs and other arrangements.

The Committee has established the following compensation philosophy and objectives for the company's named executives:

- **Align the interests of named executives with those of the stockholders.** The Committee believes it is appropriate to tie a significant portion of executive compensation to the value of the company's stock in order to closely align the interests of named executives with the interests of our stockholders. The Committee also believes that executives should have a meaningful ownership interest in the company and as such maintains and regularly reviews executive stock ownership guidelines.

- **Have a significant portion of pay that is performance-based.** Fluor expects superior performance. Our executive compensation programs are designed to reward executives when performance results for the company and the executive meet or exceed stated objectives. The Committee believes that compensation paid to executives should be closely aligned with the performance of the company relative to these objectives.

- **Provide competitive compensation.** The company's executive compensation programs are designed to attract, retain and motivate highly qualified executives critical to achieving Fluor's strategic objectives and building stockholder value.

The Committee reviews the company's compensation philosophy and objectives each year to determine if revisions are necessary in light of market conditions, the company's strategic goals or other relevant factors. In each of the last five years, the Committee determined that no revisions to the executive compensation philosophy and objectives were necessary, although the Committee has adjusted the specific elements of compensation used to implement its philosophy as compensation practices have evolved.

In addition, the Committee reviewed the incentive compensation we provide to our named executives, including evaluating the mix of programs and performance criteria, the Committee's ability to exercise discretion over certain components of compensation and our risk management practices generally. Based on this review, the Committee believes that our executive compensation programs are

Table of Contents

designed to appropriately align compensation with our business strategy and not to encourage behavior that could create material adverse risks to our business.

Peer Group Comparisons

In making compensation decisions, the Committee looks at the practices of our Compensation Peer Group. The Committee annually reviews with its independent compensation consultant the composition of the Compensation Peer Group and makes refinements if necessary based on objective criteria established by the Committee.

Since 2009, the Committee has applied a consistent process and set of criteria for selection of the Compensation Peer Group. Potential peer companies were identified by applying the following objective selection criteria:

- Standard & Poor's Global Industry Classification Standard (GICS) codes for the company, our direct competitors and key customers (2010 capital goods, 101010 energy equipment and services, and 101020 oil, gas and consumable fuels);
- Companies commonly identified as peers of direct engineering and construction peers (based on disclosures in their most recent proxy statements);
- Companies with generally comparable pay models; and
- Companies with generally comparable revenues, number of employees and market capitalization value (with a guideline ranging from 0.25x to 4.0x on all three measures, subject to exception for direct competitors and other engineering and construction peers).

In 2016, the Committee determined that the peer group selection criteria should remain unchanged, but made slight changes to the overall peer group by removing three companies and adding one. Lockheed Martin Corporation and Tyco International Ltd. were removed as they no longer meet the prescribed size range or industry criteria; and URS Corporation was removed because it was acquired by AECOM Technology Corporation. EMCOR Group was added as a peer and direct competitor, as denoted in the full peer group listing below. The companies comprising Fluor's Compensation Peer Group for purposes of establishing 2016 compensation were:

AECOM Technology Corporation*	Illinois Tool Works Inc.
Chicago Bridge & Iron Company*	Ingersoll-Rand Company Limited
Cummins Inc.	Jacobs Engineering Group Inc.*
Deere & Company	KBR, Inc.*
Dover Corporation	L-3 Communications Corporation

Eaton Corporation	Northrop Grumman Corporation
EMCOR Group*	PACCAR Inc.
Emerson Electric Co.	Parker-Hannifin Corporation
General Dynamics Corporation	Quanta Services, Inc.*
Halliburton Company	Raytheon Company
Hess Corporation	W.W. Grainger, Inc.

* Direct competitors and other engineering and construction peers.

The Committee reviews benchmarking comparisons for each named executive against the Compensation Peer Group. All job titles that appear to contain similar responsibilities are included in the benchmarking comparisons for each of the named executives.

The Committee sets target compensation levels for the named executives as follows. Individuals vary from the target market positioning primarily based on performance, experience, advancement potential and internal pay equity.

Base salary compensation is targeted at the 50^{th} percentile for similar job titles, experience and tenure of executives within the Compensation Peer Group. The Committee believes targeting compensation at this level helps the company attract and retain executives. However, from time to time, the Committee may approve compensation at levels outside the 50^{th} percentile depending on a number of factors, including the named executive's experience, skill sets, industry knowledge and other similar attributes.

Base salary plus annual incentive (*i.e.*, cash) compensation is similarly targeted at the 50^{th} percentile of the Compensation Peer Group for attainment of target-level company and individual performance objectives applicable to annual incentive awards. Annual incentive payments may be made above the 50^{th} percentile if above-target company and individual performance is attained. If company and individual objectives are not met, annual incentive compensation may be below the 50^{th} percentile or not paid at all.

Total direct compensation, or base salary plus annual and long-term incentive awards, is also targeted at the 50^{th} percentile of the Compensation Peer Group for attainment of target-level company performance. Achievement of superior company performance and continued stock price appreciation will result in growth of actual total direct compensation over time. Below-target company performance and stock price depreciation will decrease actual total direct compensation.

Role of Company Management in Compensation Decisions

Before the Committee makes decisions on executive compensation, the Chief Executive Officer reviews compensation for the other named executives and makes recommendations to the Committee based on their individual and group performance. At the beginning of the year, the Chief Executive Officer proposes to the Committee base salary adjustments for the current year, annual incentive award payments for the previous year and current-year long-term incentive grants for each of the other named executives. The Committee reviews and approves the compensation actually paid to the named executives after consideration of the recommendations made by the Chief Executive Officer. The Committee may exercise discretion to modify named executives' compensation from that recommended by the Chief Executive Officer, but did not exercise that discretion for the named executives with respect to 2016 compensation.

Other Aspects of Our Executive Compensation Programs

2016 "Say on Pay" Advisory Vote on Executive Compensation

We hold an annual "say on pay" advisory vote to approve our executive compensation. At our 2016 Annual Meeting of Stockholders, stockholders approved the compensation of our named executives, with approximately 94% of the votes cast for approval of the company's executive compensation. The Committee evaluated the results of the 2016 advisory vote at its August meeting and then again in February 2017 when determining executive compensation. The Committee also considered many other factors in evaluating our executive compensation program, including the Committee's assessment of the interaction of our compensation programs with our corporate business objectives, evaluations of our program by the Committee's independent compensation consultant,

Table of Contents

including with respect to "best practices," and a review of data of our Compensation Peer Group. Taking all of this information into account, the Committee did not make any changes to our executive compensation program and policies as a result of the 2016 "say on pay" advisory vote. However, in response to an evaluation of market practices, the Committee approved changes to the company's 2017 VDI program as discussed above.

Clawback Policy

Pursuant to the company's clawback policy, if the Board determines that any key executive or employee, including any named executive, has engaged in fraud or willful misconduct that caused or otherwise contributed to a need for a material restatement of the company's financial results, the Board will review all performance-based compensation earned by that employee during the fiscal periods materially affected by the restatement. If the Board determines that any performance-based compensation would have been lower if it had been based on the restated results, the Board will, to the extent permitted by applicable law, seek recoupment of performance-based compensation as it deems appropriate. To date, the Board has not encountered a situation where a review of compensation pursuant to the policy was necessary.

Stock Ownership Guidelines

Executive officers are encouraged to hold Fluor common stock to align their financial interests with those of our stockholders. The company maintains stock ownership guidelines for named executives as follows:

Role	Value of Shares or Share Units to be Owned
Chief Executive Officer	6 times base salary
Chief Operating Officer, Chief Financial Officer and Chief Legal Officer	3.5 times base salary
President, Government Group	2 times base salary

A named executive is required to settle VDI awards in stock and to retain all company common stock, including 100% of the net shares acquired from the exercise of stock options or the vesting of RSUs, to the extent he has not satisfied the guidelines. Unvested RSUs and earned but unvested VDI units are considered as owned by the named executive in determining whether the named executive has met his ownership guidelines. As of the date of this report, all named executives were in compliance with these stock ownership guidelines.

As noted above, named executives will be required to hold all common stock received upon vesting of RSUs and VDI awards granted in 2016 for a period of three years following vesting, regardless of whether the above stock ownership guidelines have been met.

Restrictions on Certain Trading Activities

Our insider trading policy for executive officers and non-management directors prohibits transactions involving short term or speculative trading in, or any hedging or monetization transactions involving, company securities. In addition, our policy prohibits pledging company securities or holding company securities in a margin account.

Tax Implications

The Committee reviews and considers the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code ("Section 162(m)"), which generally prohibits the

Table of Contents

company from deducting compensation in excess of $1,000,000 that is paid to named executives other than the Chief Financial Officer unless the compensation qualifies as "performance based compensation" as defined under Section 162(m). In February of each year, the Committee sets and approves performance hurdles designed to allow named executives' long-term incentive awards to potentially qualify as "performance based compensation." Stock option proceeds are intended to be deductible under the provisions of the stock plans and the structure of the related grant agreements. Historically, we have claimed a deduction for a significant percentage of our covered executives' taxable income. However, because there are uncertainties as to the application of regulations under Section 162(m), as with most tax matters, it is possible that our deductions may be challenged or disallowed. Accordingly, there is no certainty that elements of compensation discussed in this proxy statement will in fact be deductible by the company. In addition, the Committee retains discretion to approve compensation that is not intended to be deductible under Section 162(m) if it determines that circumstances warrant such compensation.

Table of Contents

ORGANIZATION AND COMPENSATION COMMITTEE REPORT

Management of the company has prepared the Compensation Discussion and Analysis as required by Item 402(b) of Regulation S-K, and the Organization and Compensation Committee has reviewed and discussed it with management. Based on this review and discussion, the Committee recommended that the Compensation Discussion and Analysis be included in the proxy statement for the company's 2017 Annual Meeting of Stockholders.

The Organization and Compensation Committee

Peter J. Fluor, Chairman
Peter K. Barker
James T. Hackett
Deborah D. McWhinney
Armando J. Olivera
Joseph W. Prueher
Matthew K. Rose

Table of Contents

SUMMARY COMPENSATION TABLE

The table below summarizes the total compensation earned by or granted to each of the 2016 named executives in the relevant years. The 2016 named executives are the principal executive officer, the principal financial officer and the three other highest paid executives.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Name and Principal Position	**Year**	**Salary ($)[1]**	**Bonus ($)**	**Stock Awards ($)[2]**	**Option Awards ($)**	**Non-Equity Incentive Plan Compensation ($)[3]**	**Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)[4]**	**All Other Compensation ($)[5]**	**Total ($)[6]**
David T. Seaton	2016	$1,295,029		$5,866,758	$0	$1,150,000		$357,004	$8,668,791
Chairman and	2015	$1,333,302		$5,896,024	$2,904,033	$1,900,000		$253,085	$12,286,444
Chief Executive Officer	2014	$1,228,310		$5,628,271	$2,772,039	$2,100,000	$44,092	$238,781	$12,011,493
Biggs C. Porter	2016	$841,318		$1,723,396	$0	$450,600		$133,572	$3,148,886
Executive Vice President and	2015	$868,965		$1,340,081	$660,023	$751,000		$128,330	$3,748,399
Chief Financial Officer	2014	$812,240		$1,340,212	$660,062	$784,600		$106,401	$3,703,515
Peter Oosterveer	2016	$700,024		$1,806,820	$0	$413,000		$139,130	$3,058,974
Chief Operating Officer[7]	2015	$721,180	$350,000	$1,675,190	$825,029	$833,000		$158,923	$4,563,322
	2014	$650,798		$1,608,111	$792,061	$763,200	$226,725	$102,237	$4,143,132
Carlos M. Hernandez	2016	$630,032		$1,533,437	$0	$380,300		$120,558	$2,664,327
Executive Vice President,	2015	$650,724		$1,474,183	$726,046	$562,300		$116,370	$3,529,623
	2014	$607,084		$1,340,212	$660,062	$613,500	$6,347	$109,373	$3,336,578

Chief Legal Officer & Secretary							
Bruce A Stanski	2016	$600,018	$1,010,108	$0	$520,200	$87,067	$2,217,393
President, Government Group	2015						
	2014						

(1) The amounts in column (c) include salary paid, and any time off with pay utilized, during the year. The annual base salaries, as discussed on pages 26-27, are:

Annual Base Salaries

Name	2016	2015	2014
David T. Seaton	$1,295,000	$1,295,000	$1,235,000
Biggs C. Porter	$841,300	$841,300	$816,800
Peter Oosterveer	$700,000	$700,000	$670,000
Carlos M. Hernandez	$630,000	$630,000	$611,600
Bruce A. Stanski	$600,000	$600,000	$566,500

(2) The amounts in column (e) represent the aggregate grant date fair value of the RSUs and VDI awards granted in each year, calculated based on the closing price of the company's common stock on the New York Stock Exchange on the date of grant in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("ASC 718"). For RSU and VDI awards granted in 2016, the grant date fair value reflects a liquidity discount of 11.06% as a result of the three-year post-vest transfer restrictions (the "Post-Vest Holding Period") imposed by the company on the common stock issued upon settlement of these awards.

For VDI awards granted in 2016, performance objectives have been set for only one-third of the shares subject to the awards (the first tranche of the award) and the grant date fair value of that tranche (as opposed to the value of the entire award) has been reported in the table above. Under SEC rules, tranches for which performance objectives have not been set do not have a reportable grant date fair value under ASC 718 and therefore are not included in the table above. The

Table of Contents

performance objectives for the second and third year tranches will be established in 2017 and 2018, respectively, and accordingly will be reported in the Summary Compensation Table as compensation for such years.

The grant date fair value of the first tranche of the 2016 VDI awards, assuming the highest level of performance is achieved, is two times the grant date fair value reported in the Summary Compensation Table, or: $2,933,378 for Mr. Seaton; $861,698 for Mr. Porter; $903,410 for Mr. Oosterveer; $766,718 for Mr. Hernandez; and $505,054 for Mr. Stanski.

The chart below details the grant date fair value of the RSUs granted in 2016, and the first tranche of the VDI award granted in 2016, based on target level performance:

	David T. Seaton	**Biggs C. Porter**	**Peter Oosterveer**	**Carlos M. Hernandez**	**Bruce A. Stanski**
RSUs	$4,400,069	$1,292,547	$1,355,115	$1,150,078	$757,581
VDI	$1,466,689	$430,849	$451,705	$383,359	$252,527
Total	**$5,866,758**	**$1,723,396**	**$1,806,820**	**$1,533,437**	**$1,010,108**

(3) The amounts in column (g) represent amounts earned as annual incentive in each year.

(4) The amounts in column (h) represent any actuarial increases in the present value of the named executive's benefits under the company's defined benefit pension plans. Mr. Oosterveer's 2016 pension values decreased by ($106,715) in the Netherlands Pension Plan. The decrease in Mr. Oosterveer's Netherlands pension value from 2015 to 2016 is due to the decrease in the discount rate from 2.20% to 1.90%, and the decrease in the future pension increase assumptions from 1.50% to 0.30% for the first ten years, and 1.00% for the years thereafter. No other named executives participated in a company defined benefit pension plan in 2016.

(5) The amounts in column (i) are detailed in a separate All Other Compensation table below.

(6) The amounts in column (j) represent the total of columns (c) through (i).

(7) As previously disclosed, Mr. Oosterveer notified the company of his resignation as the company's Chief Operating Officer on March 5, 2017.

Table of Contents

ALL OTHER COMPENSATION

The following table and related footnotes describe each component of the All Other Compensation column (i) of the Summary Compensation Table for 2016.

(a)	(b)	(c)	(d)	(e)	(f)
Name	**Company Contributions to Qualified and Nonqualified Defined Contribution Plans ($)[1]**	**Tax Gross-up ($)[2]**	**Perquisite Allowances ($)[3]**	**Other Perquisites ($)[4]**	**Total All Other Compensation ($)[5]**
David T. Seaton	$158,083	$50,470	$71,100	$77,351	$357,004
Biggs C. Porter	$76,825	$1,494	$49,500	$5,753	$133,572
Peter Oosterveer	$78,272	$1,983	$54,000	$4,875	$139,130
Carlos M. Hernandez	$57,531	$4,156	$49,500	$9,371	$120,558
Bruce A. Stanski	$54,667	$0	$32,400	$0	$87,067

(1) The amounts in column (b) represent amounts contributed by the company to each named executive's account in the 401(k) plan, pursuant to the company's 5% match, and amounts credited by the company into each named executive's account in the non-qualified deferred compensation plan for matching or discretionary contributions that would have been credited to each named executive's account in the 401(k) plan for contributions in excess of IRC limitations.

(2) The amounts in column (c) represent the tax gross-up provided for business-related spousal travel and business-related spousal air charter usage.

(3) The amounts in column (d) represent the aggregate annual perquisite allowance, which is paid monthly as a substitute for the company reimbursing or paying for perquisites such as an automobile allowance, tax and financial planning, and company-owned country club membership dues. Not more than $25,000 of the allowance was used by any named executive for any single type of perquisite.

(4) The amounts in column (e) represent the incremental cost for business-related spousal travel and business-related spousal air charter usage, the cost of business-related physical examinations, and the cost of personal use of non-primary country clubs, each of which was less than $25,000 with the exception of Mr. Seaton, who had a business-related spousal travel cost of $60,291.

(5) The amounts in column (f) represent the totals of columns (b) through (e).

Table of Contents

GRANTS OF PLAN-BASED AWARDS IN 2016

The table below provides information about equity and non-equity awards granted to the named executives in 2016.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
				Estimated Future Payouts Under Equity Incentive Plan Awards[2]		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[3]					
Name	Type of Award[1]	Grant Date	Approval Date	Target (#)	Maximum (#)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)[4]	All Other Option Awards: Number of Securities Underlying Options (#)[5]	Exercise or Base Price of Option Awards Per Share ($/sh)[5]	Grant Date Fair Value of Stock and Option Awards ($)
David T. Seaton	RSU	2/23/2016	2/4/2016					107,385			$4,400,069[6]
	VDI	2/23/2016	2/4/2016	35,795	71,590						$1,466,689[7]
	AI	N/A	N/A			$1,878,000	$3,756,000				
Biggs C. Porter	RSU	2/23/2016	2/3/2016					31,545			$1,292,547[6]
	VDI	2/23/2016	2/3/2016	10,515	21,030						$430,849[7]
	AI	N/A	N/A			$715,200	$1,430,400				
Peter Oosterveer	RSU	2/23/2016	2/3/2016					33,072			$1,355,115[6]
	VDI	2/23/2016	2/3/2016	11,024	22,048						$451,705[7]
	AI	N/A	N/A			$700,000	$1,400,000				
Carlos M. Hernandez	RSU	2/23/2016	2/3/2016					28,068			$1,150,078[6]
	VDI	2/23/2016	2/3/2016	9,356	18,712						$383,359[7]
	AI	N/A	N/A			$535,500	$1,071,000				
Bruce A. Stanski	RSU	2/23/2016	2/3/2016					18,489			$757,581[6]
	VDI	2/23/2016	2/3/2016	6,163	12,326						$252,527[7]
	AI	N/A	N/A			$510,000	$1,020,000				

(1) The types of awards reported in this table are as follows: Restricted Stock Units (RSU), the first tranche of the 2016 Value Driver Incentive (VDI) Awards, and Annual Incentive (AI). No options were granted to named executives in 2016.

(2) Columns (e) and (f) show the target and maximum number of units for each named executive under the first tranche of their 2016 VDI awards. The Committee has established threshold levels for each of the 2016 performance goals, but not for the overall award. All potential payouts are performance-driven, and can be earned from 0 to 200% of target. The performance goals are described in the Compensation Discussion and Analysis on page 32. The second and third tranches of the 2016 VDI award will be presented in the table in 2017 and 2018, respectively. All three tranches of the 2016 VDI award, if earned, will vest in full on March 6, 2019.

(3) Columns (g) and (h) show the target and maximum payouts for each named executive of their 2016 annual incentive award. The Committee has established threshold levels for each of the performance goals, but not for the overall award. All potential payouts are performance-driven, and can be earned from 0 to 200% of target. The performance goals are described in the Compensation Discussion and Analysis on page 29.

(4) The amounts in column (i) represent the number of RSUs granted on February 23, 2016 as part of the 2016 long-term incentive awards. These RSUs vest one-third per year in each of the three years following the grant date, on March 6th of such year.

(5) No options were granted to named executives in 2016.

(6) This amount represents the grant date fair value of the RSUs granted on February 23, 2016 as part of the 2016 long-term incentive awards. The value is computed in accordance with ASC 718, using the grant price of $46.07 per share, which was the closing price of the company's common stock on

Table of Contents

the New York Stock Exchange on the date of grant, less a liquidity discount of 11.06% related to the Post-Vest Holding Period on the common stock underlying these awards.

(7) This amount represents the grant date fair value of the target number of shares subject to the first tranche of the 2016 VDI awards granted on February 23, 2016, using the grant price of $46.07 per unit, which was the closing price of the company's common stock on the New York Stock Exchange on the date of grant, less a liquidity discount of 11.06% related to the Post-Vest Holding Period on the common stock underlying these awards.

As described in footnote 2 of the Summary Compensation Table on pages 41-42, only one-third of the shares subject to the 2016 VDI awards have a grant date fair value under applicable accounting standards and therefore are reported as 2016 compensation in the Summary Compensation Table and this Grants of Plans Based Awards Table. The grant date fair value of the remaining 2016 VDI units will be presented in 2017 and 2018, respectively. The grant date fair value of those units will be based on the closing price of the company's common stock on the New York Stock Exchange on the approval date of the performance goals. The total target value approved by the Committee for each of the 2016 VDI awards for each named executive is as follows:

Name	2016 VDI Award Approved Target Value
David T. Seaton	$4,400,067
Biggs C. Porter	$1,292,547
Peter Oosterveer	$1,355,115
Carlos M. Hernandez	